FINANCIAL TIMES

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WORLD NEWS

Paris ready for English rugby fans

Paris Mayor Jacques Chirac ordered extra police for today's *France-England* rugby match and told them to "tan the hides of the English" if there was any trouble.

This follows violence among English fans attending a football match there on Wednesday. Seven were still being held by Paris police last night. Another was given a three-month suspended jail sentence for carrying offensive weapons—knuckle-dusters and a carpet knife. Sport, Page 15

Israel pact likely to go

Lebanese President Amin Gemayel returned from Damascus amid speculation that he would soon abandon his pact with Israel, under Syrian pressure. Page 2

China opposes debate

China opposed moves by Hong Kong Chinese leaders for a public debate on the colony's future. Page 2

Fatal IRA bomb

Part-time Ulster Defence Regiment soldier Thomas Loughlin was killed when the IRA bombed his car in Castlederg, Co. Tyrone.

Murray snubs Dimbleby

TUC general secretary Len Murray refused to appear in a BBC TV Budget day programme with David Dimbleby, who is in dispute with journalists. Page 2

How Whitehall shrinks

A smaller Civil Service has been achieved mainly by dropping some functions and lowering standards in others, a Treasury analysis showed. Page 3

Surinam coup bid claim

Surinam's military rulers charged two men with preparing an invasion by mercenaries from French Guiana.

Maputo-Pretoria treaty

Mozambique and South Africa agreed the details of a non-aggression pact. Page 2

Olympics official banned

The U.S. State Department said it refused a visa to Soviet Olympic Games official Oleg Yermishkin for security reasons.

Ex-Premier jailed

Bangladesh jailed former Premier Shah Azizur Rahman and former Home Minister Abdul Mannan for their part in organising a general strike on Thursday.

Winter returns

Heavy snow and strong winds returned to Scotland and much of England. More cold, windy weather is forecast. Back Page

Frisco clears the air

San Francisco introduced strong anti-smoking laws under which one non-smoker can prevent any smoking in offices. Air purifier sales are up.

Briefly . . .

Silent film child star Jackie Coogan died aged 69.

British actor Roland Culver died in London at 83.

Singer Mick Jagger and Jerri Hall had a baby girl.

Rare Przewalski's colt was born in San Diego; its sire is British.

BUSINESS SUMMARY

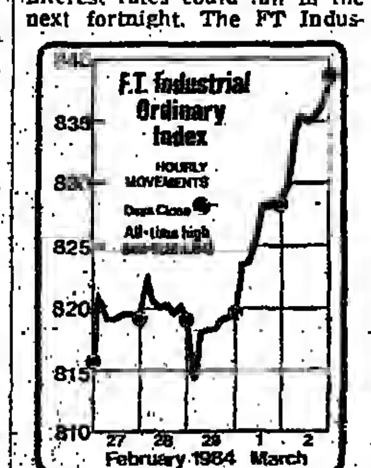
Restructure for British Shipbuilders

BRITISH Shipbuilders is to make changes to its organisation in an attempt to curb losses and win orders. **Back Page**

Harland and Wolff, the Belfast shipyard, won a £30m order from the Ministry of Defence to turn a container ship into an aircraft training vessel and Bechtel withdrew its bid to take over British Shipbuilders' Scott Lithgow yard on the Lower Clyde. Page 3

DOLLAR fell sharply against the yen to close in London at Y228, its lowest since January last year. In the month to Thursday it had fallen 6½ per cent against the D-Mark but only 0.3 per cent against the yen, and yesterday's fall was seen as a catching-up process.

EQUITIES gained on hopes that interest rates could fall in the next fortnight. The FT Industrial Ordinary index closed 10.6 up at 838.9, just below its record high of 840.5 on January 25. Page 24



SINGAPORE'S expansionary budget offered further incentives to promote the island as an offshore financial centre and brought large cuts in personal income tax. Page 4

SOVIET leader Konstantin Chernenko said the country's grain harvest topped 190m tonnes in 1983, making it the best crop since 1978 but below forecasts. U.S. accused, Page 2

JAPANESE Government is to use its loan and payment guarantee system to provide a safety net for creditors of the failed J. Osawa Trading company. **Page 23**

VATICAN said it expected a deficit of L51bn (£21m) this year in a rare disclosure of its financial circumstances.

WEST GERMANY'S seasonally adjusted unemployment total rose to 2.2m in February, about 4,000 more than in January.

ENERGY consumption in the UK fell last year to its lowest since 1967. The main drop was in petroleum consumption which fell by 4.5 per cent. **Back Page**

Vestey family, one of Britain's richest, is selling five cattle stations covering nearly 19,000 sq km in Australia's Northern Territory. **Page 2**

FOWL PEST struck a farm in North Yorkshire causing 18,000 chickens to be slaughtered. It was the second outbreak in a week and farmers fear high winds could spread the disease further.

BSR International, electronics and audio group, made pre-tax profits of £20.94m in 1983 against a loss of £17.38m. **Page 18**

IBA wants change in TV franchise system

BY RAYMOND SNODDY

THE INDEPENDENT Broadcasting Authority is to seek major changes in the way the franchises of independent television companies are awarded.

The IBA believes that a system of rolling franchises should replace the present obligation to readvertise the 15 ITV franchises every eight years.

The proposal is expected to be adopted formally by the authority on Wednesday. The IBA will then urge the Home Office to amend the 1981 Broadcasting Act which makes readvertising mandatory.

Under the new scheme, the existing ITV companies, which are expected to earn about £1bn in advertising revenue this year, could, in theory, keep their existing franchises indefinitely.

But in place of readvertising franchises a new annual rigorous assessment of performance would be introduced. That would mean that companies would face continuous monitoring of how they carry out their obligations to produce programmes of quality and balance instead of a full-scale examination only once every eight years. Companies found to be wanting could, probably after a formal warning, lose their franchises at any time. Individual franchises would then be readvertised.

The IBA has been working for more than a year on a replacement for the existing system after considerable dissatisfaction over how it worked in 1981, and, in particular, concern that all 15 companies simultaneously concentrated for a long period on trying to retain their franchises to the virtual exclusion of everything else.

The IBA believes that it would be wrong to hold such a round again in 1989 at a time when the ITV companies might be starting to face real competition from cable and satellite television.

The matter has become urgent because of the talks between the independent television sector and the BBC over a joint direct broadcasting by satellite (DBS) project. The ITV companies are being asked to commit themselves to half the £400m cost.

A majority of ITV managing directors told Mrs Thatcher last week that they would like a fixed-term extension of their franchises to 1996—the current life of the IBA. The IBA has opted for rolling franchises, however, and this, provided there are real teeth in the continuous assessments of performance, might be more acceptable to the Government.

The ITV companies have made it clear to the Government that they cannot undertake such a long-term investment as DBS if their franchises are to be at risk in 1989.

At Wednesday's meeting the IBA is also going to be asked to agree in principle to go ahead with the joint DBS project. The authority has come to the view that the project should not be a 50-50 split, however. It believes that if the project is to succeed a third of the equity should go to entrepreneurs outside broadcasting and television equipment manufacture.

Gilts rise prompts tap issue

BY PHILIP STEPHENS

THE Government yesterday took advantage of the recent rise in the gilts market by announcing a £1bn tap stock amid growing City speculation that the Budget on Tuesday week may be accompanied by a small cut in banks' base rates.

The 10 per cent Exchequer stock 1989 "A" will be sold by tender at a minimum price of £98, giving a yield to redemption of 10.5 per cent.

Brokers said the pricing made the stock around ¼ point more expensive than levels ruling in that part of the market.

The tap announcement followed further sales yesterday by the Government broker of the 1998 stock released three weeks ago. Originally a flop, this issue was selling at a ⅛ premium following the market's strong advance this week, and is now thought to be nearly exhausted.

Further gains of between ½ and ¾ of a point in gilts prices yesterday reflected a feeling that base rates will fall by around ½ per cent at some time around the Budget on March 13.

Analysts pointed to fresh falls in money market rates, and the lowest Treasury bill tender rate since 1978 as signals that borrowing costs will come down sooner rather than later.

Mr Michael Jankowski, financial analyst at broker Simon and Coates, said he expected a ½ per cent base rate cut soon after the Budget, and the fall could be earlier.

Mr Stephen Lewis, senior monetary economist at brokers Phillips & Drew, said money market pressure was pointing to a cut, but he said such a move would be hard to justify on the basis of present monetary and credit trends.

Although money supply growth has slowed in recent months, the three targeted measures have still been running outside or at the top of the 7 to 11 per cent range set in last year's budget.

Bank lending has also been buoyant, forcing the authorities to sell extra debt to curb money growth.

Next Tuesday's figures for the

Continued on Back Page

Editorial comment and Budget prelude, Page 16; Lex, Back Page

Airbus Industrie plans new jet

BY PAUL BETTS IN PARIS AND MICHAEL DONNE IN LONDON

PLANS for another jet airliner, the long-range four-engine TA-11, are being laid by European Airbus Industrie following this week's go-ahead for the 150-seat A-320.

M Bernard Lathière, president and chief executive of Airbus, confirmed in Paris yesterday that the UK Government's decision to lend £250m in launch aid for the A-320 had put that venture firmly on its way. He said the time had come to widen the Airbus family.

The aim was to produce as wide a variety of airliners as possible so that Airbus could compete with U.S. manufacturers such as Boeing and McDonnell Douglas.

"No-one can doubt Airbus Industrie's resolve to build a genuine family of aircraft to compete across the board," he said, "nor that the European industry is going to be a significant factor in civil aircraft manufacture into the 21st century."

Airbus's market studies had shown that demand was emerging for a twin-aisle, four-engine aircraft suited to very long ranges (over 6,000 nautical miles) but with a low passenger capacity (about 230 against the average 420 for a Boeing Jumbo 747). Lufthansa, the West German airline, was keen to see Airbus Industrie develop such an aircraft.

In spite of M Lathière's personal enthusiasm for such a venture, aerospace industry observers believe it could be some time before the aircraft emerges. Governments will not be keen to pump more cash into Airbus Industrie until the existing ventures breakeven or show profits.

As for the A-320, M Lathière said it was "all systems go." The three prime requirements had been met. There were enough orders to justify launch, work-sharing arrangements were largely agreed between the participating companies, and the four shareholding governments had either committed funds or given assurances that they would be forthcoming.

The non-recurring costs of the A-320 would be about $1.7bn (£1.15bn), and up to $120m had been spent by the partners. Metal had been cut to make jigs and tools for the aircraft, which is due to fly in the spring of 1988.

M Lathière revealed details of the work-sharing arrangements. The UK will have 26 per cent (the wings), CASA of Spain about 4 per cent, Aerospatiele of France about 38 per cent (including final assembly at Toulouse), and Deutsche Airbus (Messerschmidt-Bolkow-Blohm of West Germany) about 30 per cent.

The remaining 2 per cent is flexible, allowing for other partners, and the percentages could be modified.

Others with whom talks were in progress included Hawker de Havilland of Australia and the Australian Government Aircraft Factories.

These would be industrial partners, however. "We do not have to find additional partners to help finance the project," M Lathière said.

Among other industrial partners is expected to be Belairbus of Belgium, working with British Aerospace.

M Lathière said Airbus Industrie thought sales of 600 A-320s would be needed to break even. The price is $24m (£16m).

Airbus was confident that it could win sales of at least 1,000 aircraft in the short-to-medium range 150-seat category up to the end of the century.

M Lathière did not appear to be worried about competition from the U.S. Although Boeing had not yet announced its plans, M Lathière said: "We think there is only one brand new aircraft in competition with us."

Initially the A-320 will be built around the Franco-U.S. (Snecma - General Electric) CFM-56 Dash 4 engine. This will be used in the first four A-320s built for flight trials, but scope exists for the international V-2500 engine being developed by Rolls-Royce, Pratt and Whitney and other partners.

If the V-2500 were built quickly enough, it could be installed in the fifth A-320 off the line and could take part in the flight tests of the aircraft due to start in 1987-88.

Airbus Industrie, M Lathière said, wanted to be able to offer the A-320 with both the CFM-56-4 and the V-2500, so as to widen the choice for airlines. Airbus has already ordered 80 CFM-56-4s for use in the A-320, but no orders have yet been placed for the V-2500.

Man in news, Back Page

Labour set for left-right clash as Benn returns

BY MARGARET VAN HATTEM, POLITICAL CORRESPONDENT

MR TONY BENN will return to Westminster on Tuesday amid signs that the Labour Party might be heading for the kind of left-right clash that would enable him to re-establish himself as leader of Labour's internal opposition.

Attempts by some MPs to rush through changes in the party's reselection procedures are seen by other MPs as likely to hand Mr Benn a platform from which to rally his bid supporters. The proposals involve giving every constituency party member a vote in reselection, rather than limiting the decision to selection committees.

Last night Mr Eric Heffer, Mr Michael Meacher and Mr Tony Banks, three left-wing Labour MPs, appeared on Channel 4 and opposed the changes. Mr Neil Kinnock, the party leader, had already indicated that he favours the proposals, but has not committed himself to action.

Mr Benn hailed his victory in Thursday's Chesterfield by-election, which he won with a 6,264 majority, as an indication that "the passionate advocacy of socialism and the policies of the party is a way of winning support."

The result, on a 76.9 per cent turnout, gave Mr Benn 47 per cent of the votes. Mr Max Payne, for the Liberals was second, with 35 per cent and Mr Nicholas Bourne, the Conservative, third with 15 per cent.

Mr Benn appeared satisfied to have exceeded by 751 votes the total achieved in the general election by Mr Eric Varley, his predecessor.

The Labour assessment at Westminster was markedly less buoyant. It was pointed out that Labour's share of the vote had slipped from 48 per cent to 47 per cent; that the result represented a swing of about 8½ per cent from Labour to the Liberals; and that, had Mr Benn kept pace with the national swing to Labour, he would have won about 3,000 more votes.

Mr Kinnock, speaking in Wales, said the main significance of the poll was the desertion of Tory supporters to the Alliance. Other Labour MPs suggested that the outcome might have been different had the Alliance fielded a more experienced candidate, more capable of challenging Mr Benn in public—a view privately shared by many members of the Alliance.

Mr David Steel, the Liberal leader, said the result showed that Labour was in "long-terms decline and that we are still very much on the warpath." He added: "Tony Benn will be a source of great trouble to the Labour Party, and for that reason I am quite pleased to see him back."

Dr David Owen, leader of the Social Democratic Party, said the result was a "solid achievement for the Alliance. They doubled the vote and knocked the Tories into third place." He believed the Alliance would have won had Mrs Shirley Williams been their candidate.

Mr Norman Tebbit, the Industry Secretary, said he was disappointed with the result but predicted that Mr Benn's "love-in with his colleagues" would be shortlived.

Mr John Selwyn Gummer, the Tory chairman, said his party had suffered from tactical voting.

Politics today Page 17

French coal industry faces loss of 30,000 jobs in five years

BY DAVID HOUSEGO IN PARIS

ABOUT 30,000 jobs in the French coal industry are to be cut in the next five years under plans announced yesterday by Charbonnages de France, the state-owned coal company.

This halving of the workforce from 57,000 is understood to be based on a projected reduction in coal output from 18m tonnes this year to about 11-13m tonnes a year by 1988.

It is a complete turnround in government coal policy. When the Socialists took power they promised to boost production to 30m tonnes a year by 1990.

Unions yesterday demonstrated their hostility to the plans, approved at a meeting of the board. Five thousand miners took part in a rally in Paris and a one-day strike was called throughout the industry. There was no violence, reflecting the growing realisation in the industry that substantial cuts in the workforce have become inevitable.

M Augustin Dufresne, a leader of the Communist-led CGT union, expressed the widespread union disillusionment when he told the rally it was "unthinkable that a government of the left will not bear our 'no' because it is unanimous from the worker to the engineer."

The Communists' opposition to the cuts was emphasised earlier this year by the resignation of the Communist chairman of the coal board.

M Michel Hug, chief executive of Charbonnages, announced yesterday that the government would maintain its subsidy to the coal industry at Fr 6.5bn (£546m) a year in constant terms for the next five years. This is the level at which the state subsidy has been frozen for the last two years.

In addition, the company would receive FFr 325m a year to help industrialisation of the coal regions.

He said losses would be halved this year to FFr 365m from last year's FFr 750m, but would give no date when the company would move out of the red.

The Government's insistance that Charbonnages balance its books was at the origin of yesterday's announcement. M Hug said funds would be concentrated on the most economic pits.

He confirmed that 6,000 jobs would be cut this year and that reductions of the same magnitude would be necessary for the next five.

The job losses would be achieved by early retirement and transfer to other companies and retraining schemes. Electricite de France, the state owned electricity authority, is to receive 1,000 people a year.

UK energy consumption, Back Page

MARKETS

DOLLAR

New York lunchtime:
DM2.58075
FFr 7.965
SwFr 2.151
Y227.15

London:
DM 2.5835 (2.609)
FFr 7.9625 (8.0375)
SwFr 2.154 (2.175)
Y228 (233.4)
Trade Weighted 125.6 (127)
Tokyo close Y233.26

U.S. LUNCHTIME RATES

Fed Funds 9¼%
3-month Treasury Bills: 9.15%
Long Bond: 99¾
Yield: n/a

GOLD

New York: Comex March latest $397.5
London: $399.25 ($393.25)

STERLING

New York lunchtime $1.48525
London: £1.1.481 (1.4775)
DM 3.83 (3.8575)
SwFr 3.1925 (3.215)
FFr 11.79 (11.87)
Y338 (345)
Trade weighted 82.4 (82.9)

LONDON MONEY

3-month interbank: mid rate 9⅛% (9 15/64%)
3-month eligible bills: buying rate 8 43/64% (8¾)

STOCK INDICES

FTInd Ord 838.9 (+10.6)
FT-A All Share 501.49 (+1.1%)
FT-A long gilt yield index: High coupon 10.11
New York lunchtime: DJ Ind Av 1,174.83 (+15.39)
Tokyo: Nikkei Dow 9,948.48 (+28.21)

Chief price changes yesterday, Back Page

CONTINENTAL SELLING PRICES: Austria Sch 18; Belgium Fr 38; Denmark Kr 7.25; France Fr 6.00; Germany DM 2.20; Italy L1,100; Netherlands Fl 2.50; Norway Kr 6.00; Portugal Esc 75; Spain Pta 100; Sweden Kr 6.50; Switzerland Fr 2.00; Eire 60p; Malta 60c.

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Singapore budget cuts taxes and raises spending

BY CHRIS SHERWELL IN SINGAPORE

FURTHER incentives t promote Singapore as an offshore financial centre and hefty personal income tax cuts were the main features of an expansionary give-away budget announced by the island state's government yesterday.

The budget, announced to Parliament by Dr Tony Tan, Minister of Finance and of Trade and Industry, shows the government is taking advantage of the economy's unexpectedly robust 7.9 per cent real growth in 1983 ahead of a general election, widely expected in the next 12 months.

Total government expenditure for the year frm April is forecast t rise 13 per cent to S$16.56bn (£5.4bn) with clear emphasis on construction-related activities. iWth revenues at an estimated S$9.97bn, the government will again plan a deficit, to be met from borrowings and drawdowns from its Development Fund.

The main tax measures include:

- A concessionary 10 per cent rate of income tax for corporate and individual members of the Singapore's new financial futures exchange in their dealings with non-residents.

Dr Tan said, however, that the exchange, known as the Singapore International Monetary Exchange (Simex), would only start in June, one month later than announced.

- An extension of the current tax exemption scheme on loans syndicated through Singapore to include the syndication of guarantees, performance bonds and certain underwriting facilities such as the underwriting of bonds, floating rate notes and revolving underwriting facilities.
- An accelerated depreciation allowance of 33⅓ per cent over three years on all new equipment in the manufacturing and non-manufacturing sectors. Local companies investing in approved venture capital projects will also be able to write-off up to 50 per cent of equity invested if the project loses money.
- An immediate rebate of 10 per cent of personal income taxes paid in the tax year which ended in December, and for the present year an average reduction of 11.9 per cent to 13.9 per cent in income tax for those on "middle incomes" of S$10,000-S$100,000 a year.

Those earning less than S$10,000 will also receive a 10 per cent rebate this year.

Dr Tan announced simplification of estate duties, and enhanced child allowances to encourage educated mothers to continue working but have more children.

On the expenditure side, the biggest increases are in public housing infrastructural developments. A total of S$4.17bn is going on housing, while the Mass Rapid metro project takes more than half of the Communications Ministry's S$1.07bn budget.

Senate approves revision of export control laws

WASHINGTON — the U.S. Senate has approved a sweeping revision of U.S. export control laws designed to prevent diversion of high-technology equipment to the Soviet Union.

The measure, approved on a voice vote late on Thursday, would rewrite the present control law by tightening procedures on obtaining export licences efor technology.

The House of Representatives passed a completely different measure last October to ease procedures on numerous export items, and the different Bills have to be reconciled before becoming law.

The Senate measure is designed to control possible diversion to the Soviet Union, but it would also prohibit any export embargoes on U.S. agricultural products.

This would answer criticism by farmers of President Carter's grain embargo against Moscow after the Soviet Union intervened in Afghanistan in 1979.

The Senate Bill would give President Ronald Reagan a new foreign policy tool to enable him to restrict imports for national security reasons.

Reuter

When Bonn's bank managers take to their rollerskates

BY RUPERT CORNWELL IN BONN

WHEN THE local bank manager takes to his rollerskates on a Thursday afternoon, resplendent in blue tracksuit and red beret, then clearly something unusual is afoot in the Rhineland.

And so indeed it is. This weekend and the days until the Lent curtain falls on Ash Wednesday mark the climax of the local Carnival festival —and it is not only bank managars who are affected.

Children (and adults) dress up, and shops close down. Even the Bonn Ministries, those powerhouses of the country's bureaucracy, fall victom to frivolity, a disease uncommon in West Germany.

The merrymaking, it should be observed, is not quite as spontaneous as it looks. Das Narrenvolk, the "mad people" are loose for less than a week, but the preparations have been under way for many months.

Long beforehand, the Gemeinde, or boroughs, of the Northern Rhineland have elected their carnival prince. He is duly enthroned, with retinue of soldiers and courtiers, to hold symbolic power throughout the festivities.

The epicentre of these goings-on is Cologne. But they stretch northwards to Dusseldorf (where a seasonal and non-coincidental rise in beer prices was reported yesterday), and south to Bonn and beyond.

For several weekends past in the prime diplomatic sideroads of Bad Godesberg, a sort of Kingston-upon-Rhine, it has been possible to observe solid citizens out on patrol, in the finery of the eighteenth century footsoldier, warming up for the big day.

But carnival society is far from male-dominated. On the Thursday before—the day the bank manager was cavorting —German womanhood is by tradition in command.

Then, during the so-called Weiberfastnacht, the unsuspecting stranger risks the irritation of having his tie cut off by a posse of boisterous ladies.

Everything culminates the day after tomorrow, or Rosenmontage, wisely declared a public holiday. Huge processions, complete with floats and bands, wind through Cologne and Bonn. For children, there are free sweets undreamt of, or more twentieth-century presents such as frisbees.

Some people, of course, find it all too much, and clear out for a long skiing weekend until life returns to normal on Wednesday.

Another person missing, who, however, will probably regret his absence, is that merry old soul Chancellor Helmut Kohl. He leaves Bonn today for anything but a carnival, a three-day working visit to Washington.

Nevertheless, Herr Kohl did manage a party for 190 Karnevalisten in the Chancellery, after the regular Wednesday Cabinet meeting. "If you can't enjoy a party properly," he beamed, "you can't work properly." All of which might be construed as an argument for the 35-hour week.

Chernenko accuses U.S. of 'blatant militarism'

By David Buchan

MR KONSTANTIN Chernenko, the Soviet leader, yesterday accused the U.S. of "blatant militarism" and called on it to match its conciliatory words with deeds.

In his first wide-ranging speech since taking office, Mr Chernenko also warned his countrymen that if they wanted to "live well," they must "work better." Using the formality of his "re-election" in Sunday's poll for the Supreme Soviet (parliament) to make a televised "campaign" speech, Mr Chernenko stressed continuity in both foreign and domestic policy.

He promised to continue the Andropov "labour discipline" drive, which he said had bad a "noticesble economic effect." He cited as partial proof of this the 1983 Soviet grain barvest, which "exceeded 190m tonnes."

This was the first such official Soviet statistic on grain output for several years, but it was lower than Western estimates of 200m tonnes for last year's Soviet barvest and may signal higher than expected grain imports from the West later this year.

One of the first acts of the Chernenko leadership last month was strong public criticism of some Soviet economists. The new Soviet Party General Secretary yesterday stressed that central planning must be strengthened while being made more flexible —the two policies which, in the view of many observers, go in opposite directions.

Mr Chernenko, who stumbled repeatedly during the 50-minute speech, said his talks with foreign leaders after Mr Yuri Andropov's funeral lost month had shown a near-universal desire for peace.

Urging the Reagan administration to sbow its good intentions, be called on Washington to join in banning the militarisation of space and nuclear tests underground.

Conditions were ripe for an accord banning chemical weapons, Mr Chernenko said. A U.S. compromise in the Geneva chemical weapons talks could "signal the start of a real drastic change in Soviet-American relations. Now it is up to Washington to act."

- The Soviet Union's first high-speed train service has gone into operation between Moscow and Leningrad, cutting travelling time from eight hours to five, according to Moscow newspapers, Reuter adds from Moscow.

Gemayel seeks more national talks

BY NORA BOUSTANY IN BEIRUT

PRESIDENT Amin Gemayel of Lebanon is expected to announce shortly the abrogation of the May 17 troop withdrawal agreement with Israel and to call on his country's warring factions to attend a second round of national reconciliation talks in Switzerland.

Senior Lebanese officials said yesterday that the scrapping of the agreement with Israel was a foregone conclusion, even before Mr Gemayel's visit to Damascus.

The abrogation was said to have occupied a large part of the discussions between Mr Gemayel and President Hafez al-Assad of Syria, which concluded on Thursday evening.

Syria has been a bitter opponent of the May 17 agreement and claimed that its provisions rewarded Israel politically and militarily for its June 1982 invasion of Lebanon.

The Damascus negotiations brought to a head the long-standing rivalry between Syria and Israel over which country exercised greater influence in Lebanon.

Officials in Beirut said yesterday that the talks had been "successful" and that Mr Elie Salem, the Foreign Minister, had flown to Riyadh to brief Saudi Arabian leaders on the outcome.

President Gemayel is understood to have sought certain assurances from President Assad in return for scrapping the May 17 agreement. These include a softening of Lebanese opposition demands for President Gemayel's resignation.

Mr Walid Jumblatt, the opposition Druze leader, said in Beirut on Thursday that President Gemayal should not only resign but also be put on trial for his "offences against the Lebanese people."

Mr Nabih Berri, who heads the Shia Moslem majority in Lebanon, has also demanded President Gemayel's resignation and yesterday travelled to Damascus for talks with Syrian leaders.

Syria is believed to favour the creation of a new national constitutional blueprint which would retain part of the present structure but also allow for more equal power sharing between the different communities.

Such issues could be thrashed out at a reconvened national conference in Switzerland, but only if Syria manages to persuade the Druze and Shia Moslems to modify their objections to negotiating with President Gemayel.

President Gemayel must also persuade leaders of the Christian militias to come to the negotiating table. They have been strongly opposed to the abrogation of the May 17 agreement and want stronger ties with Israel.

Peking opposes call for Hong Kong debate

BY MARK BAKER IN PEKING

CHINA has signalled its opposition to moves by Hong Kong civic leaders for a public debate on the colony's future before China and Britain reach an agreement.

The unofficial (non-government) members of Hong Kong's Legislative Council are pressing for a full debate in the council before any Sino-British final agreement is reached.

A motion calling for the debate will be put to a meeting of the council on March 14—two days before the next round of talks begins in Peking.

China has indicated its opposition in a report by the official news agency, Xinhua, which selectively quoted Hong Kong leaders and left-wing Chinese press attacks on the motion, announced last week by Mr Roger Lobo, a senior unofficial councillor.

Xinhua refers to the move as playing the "public opinion card" and "harping on the old tune about the three-legged stool"—a term for attempts to give Hong Kong residents status in the negotiations with Britain and China.

The newsagency quotes Mr Mun Kin-Chok, an academic at the Chinese University of Hong Kong, as saying: "The Sino-British talks on the future of Hong Kong are something between the two Governments and should not be restricted by the Legislative Council. The latter shouldn't have any influence over the agreement between Britain and China.

"If the Legislative Council functions in the Sino-British talks a 'three-legged stool' will appear. This being what Peking has opposed from the very beginning of the talks."

Xinhua said "others" had noted that if the motion were passed it would violate the Sino-British agreement to keep the content of the talks secret and "would harm the good atmosphere of the discussions."

China has consistently said the negotiaions on Hong Kong'a future are a matter between she and Britain, while pledging to consult with a broad range of Hong Kong residents.

When asked his view of the Lobo motion last week Mr Xu Jiatun, China's senior representative in Hong Kong said: "I believe the British authorities will handle this question correctly."

CHINA AND JAPAN yesterday initialled a nuclear power co-operation agreement, writes Terry Povey in Tokyo. The accord paves the way for the export of equipment for China's first commercial nuclear power station at Qingshan, in the centre of the country. At stake for Japan is an order for some Y1bn (£3m) for the pressure vessel which will hold the reactor. Mitsubishi Heavy Industries is competing with West German companies for the contract.

Vestey family to sell five Australian cattle stations

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE VESTEY family—one of Britain's richest—is selling five of its seven cattle stations in Australia's Northern Territory, ending a near 70-year reign as one of the country's biggest land-owners.

The sell-off involves almost 19,000 square kilometres. Contracts for the sale of four of its five Northern Territory stations, valued at more than A$5.5m (£3.5m), are expected to be signed within the next few days.

Its remaining two stations in the Northern Territory—Wave Hill and Helen Springs, totalling 17,627 sq km—will be retained and expanded. The family will also retain seven cattle stations in Queensland.

The Vesteys control extensive pastoral, meat processing, shipping and meat retailing interests in Australia, under the Angliss Group banner. The group runs 90,000-100,000 cattle in the Northern Territory alone.

Many of the territory's largest cattle stations are virtually self-contained, self-sustaining dutchies, where the vast herds are rounded up by helicopter.

Vatican forecasts £21m deficit for this year

BY ALAN FRIEDMAN IN ROME

THE VATICAN yesterday made a rare disclosure of its financial situation, projecting a L51bn (£21m) deficit for 1984.

But a communique issued by the College of Cardinals said nothing about the $250m payment expected to be made as part of the settlement of the Banco Ambrosiano affair.

According to the statement, Cardinal Casaroli, Vatican Secretary of State, informed the Cardinals about "developments in the case and the present situation."

It is understood the Cardinals were not completely in agreement on the issue of the Ambrosiano payment.

No indication was given as to the possible date of the signature of an accord between the Vatican Bank—the Istituto per le Opere di Religione (IOR) and other parties on the Ambrosiano affair.

The Vatican figures were viewed by observers in Rome yesterday as more or less meaningless, as they are thought not to include contributions from St Peter's Pence, through which the Catholic Church derives much of its income.

Bonn checks Italian customs measures

By Robert Cornwell in Bonn

HERR Werner Dollinger, the West German Transport Minister, is flying to Rome today to check on the measures brought in by the Italian Government to prevent a repetition of the Brenner Pass blockade which threw lorry traffic between the two countries into chaos.

The measures include reinforcement of customs staff, faster procedures at Italian customs points, and closer co-operation with customs officials of neighbouring European countries.

Herr Dollinger's talks with Sig Claudio Signorile, Herr Dollinger's Italian opposite number, are part of a series of bilateral meetings ahead of a special council of EEC Transport Ministers called for March 22.

News of the EEC meeting, aimed at simplifying customs procedures throughout the Community, emerged here yesterday during discussions between Herr Dollinger and M Charles Fiterman, the French Transport Minister.

After leaving Rome, Herr Dollinger will travel to Vienna for further talks with his Austrian and Swiss counterparts. The mission reflects the acute concern of West Germany that the Italian measures will be speedily put into effect.

Pay talks collapse

Pay talks between engineering industry employers and IG Metall union officials representing 130,000 workers in Hamburg and Schleswig-Holstein collapsed and no date has been set for a resumption, a union spokesman said, Reuter reports from Hamburg.

- The number of people without jobs in West Germany last month was lower than in January and the unemployment rate —as a percentage of the labour force—was down against a year earlier, Jonathan Carr reports from Bonn.

The total of unemployed dropped by just 2,715 in February to 2.54m—a jobless rate of 10.2 per cent as in January. In February, 1983, the rate was 10.4 per cent.

Early warning system

EEC consumer affairs ministers yesterday approved a new "early warning" system aimed at alerting member-states as quickly as possible to the dangers of faulty products, Ivor Dawnay reports from Brussels.

Under the plan, due to be introduced from March next year, governments will immediately alert the European Commission on the discovery of badly-made or dangerous goods. The information would then be passed on to other countries for rapid action.

Grenada airport aid

The U.S. Administration is planning to give $19m (£13.5m) to Grenada to help it complete the construction of an airport at Point Saline for tourism, Mr Larry Speakes, President Ronald Reagan's Press Secretary, announced yesterday, AP reports from Washington.

Unesco inquiry

Unesco's director-general, M Amadou Mahtar M'Bow, has pledged to co-operate fully in an unprecedented investigation of his organisation by the U.S. General Accounting Office, Representative James Scheuer, a New York Democrat, announced yesterday, Reuter reports from Paris. The U.S., unhappy with the Paris-based organisation's record, has announced it will pull out of Unesco at the end of this year unless it is radically reformed.

Sweden-Denmark link

The Swedish and Danish Governments are to revive plans for linking southern Sweden to Denmark by rail tunnel or road bridge, Kevin Done reports from Stockholm.

Mr Curt Boström and Mr Arne Melchior, the Swedish and Danish Transport Ministers, have agreed to begin parallel considerations, in advance of an expected decision by the Danish parliament on a bridge across the Store Baelt in the summer of 1985. This bridge would link Copenhagen to the mainland of Jutland.

South Africa, Mozambique agree non-aggression pact

BY OUR CAPE TOWN CORRESPONDENT

FINAL AGREEMENT on the principles and provisions of a non-aggression treaty between the Governments of South Africa and Mozambique was reached at a meeting in Cape Town yesterday.

The treaty, which will be a public document, will be signed soon. But the parties to the agreement are not yet ready to announce when, where and by whom it will be signed.

The meeting, in a Cape Town hotel, was the second at ministerial level between the two countries this year. They reached a provisional agreement to sign a security accord at a meeting in Maputo last month.

In a joint statement, the governments said the principal provisions of the agreement were that neither South Africa nor Mozambique would serve as a base for acts of violence or aggression against the other, neither would either party use a third country to perpetrate such acts.

To ensure that the provisions of the accord are monitored on a continuous basis, the governments of the two countries have agreed to establish a joint security commission. Full details of the agreement will be announced soon.

At a press conference near the conclusion of the negotiations, the leader of the Mozambique delegation, Gen Jacinto Veloso, Minister of Economic Affairs, said the "level of the presence of members of the African National Congress remaining in Mozambique at the commencement of the treaty does not interfere with the matter we are discussing.

"The central issue of the treaty is that Mozambique will not be used as a base for acts of violence and aggression against South Africa," he added.

Asked whether the treaty was a tacit admission that South Africa had been supporting the Mozambique Resistance Movement rebels, Mr Pik Botha, the South African Foreign Minister, said that neither South Africa nor Mozambique had made "any admissions about support for each other's enemies in the past."

Namibia wants to know if sparkle will last

BY J. D. F. JONES IN ORANJEMUND

ORANJEMUND is a little company town in the southernmost corner of Namibia—green gardens in the desert, just across the river from South Africa.

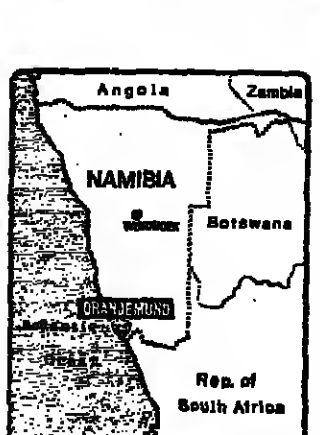
It must be one of the remoter places in Africa and is certainly one of the hardest to visit, though not just for reasons of distance.

It is as far as you can get in Namibia from the war on the Angola border, but it is the home of the company whose fortunes must be intertwined with those of an independent Namibia: C. D. M., De Beers' diamond subsidiary.

C. D. M. is Namibia's economic colussus, accounting for the bulk of the territory's export earnings and, in normal times, more than 40 per cent of state revenues. The company's relationship with the first Government after the territory's possible independence must be the biggest question-mark banging over the country's economic future, but no one in C. D. M., or in De Beers, can be at all certain of the fture nor know if there is to be a future.

Yet, at this moment of utmost uncertainty, C.D.M. is limping, because it is suffering from the world slump in the world diamond markets probably more than any other part of the De Beers' empire. And when C.D.M. limps, Namibia goes lame.

The C.D.M. operation is unique because more than 95 per cent of its product is gem (most diamond mines yield a majority of industrial stones). That is because, along 100 kms of the wild south western shoreline of Namibia's Atlantic coast, the company extracts alluvial diamonds, which geological ages ago came down the Orange River system to be swept north by the Beneguel current and laid down in a thin ribbon, literally along the line of the present beach. The technical task is to remove the overburden of sand and dig out the ore-material down to the bedrock, for crushing and processing to extract the gem diamonds.



De Beers has developed techniques that range from the magnificent to the ridiculous. Colossal volumes of sand are moved by armies of Caterpillars but, more interestingly, since the Sixties, the engineers have been pushing out into the sea. Today, giant walls of constantly-replenished sand force back the surf several hundred yards to allow the rock to be mined 50 feet below sea level.

With gem diamonds lying around on the beach, it is not surprising that security is obsessive. Oranjemund is literally closed, as is the entire coast stretching from the Orange River north beyond the original diamond town of Luderitz almost to Walvis Bay and 100 kms into the Namib desert.

CDM was for years a large jewel in the De Beers crown. Output rose to about 2m carats, and in the 70s the company accounted for about 30 per cent of De Beers profits. The diamond recession was bound to spell difficulties for an operation that relied totally on gems, but there have been two other factors in the equation. These are the cloudy future of Namibia and De Beers' development of other diamond producers. No outsider can say exactly how the three have interacted.

CDM production has fallen back to about 1m carats, and executives in Oranjemund are admitting that they cannot look to an early recovery.

There are Windhoek people asking questions, and there will certainly be more if and when Namibia has an independent government. In response to the recession De Beers and the Central Selling Organisation have trimmed quotas so that stocks have been built up or output curbed in the cause of an "orderly market."

Newly conscious Namibians want to know more about the details of the system whereby "their" diamonds are sold and the method on which tax is calculated. They want to know more about the life of the mines and wonder if CDM is doing enough to promote the local Black community. Some would even like to know by what principles CDM is running its mining.

Disaster scenarios work both ways. The nightmare of an aspirant Namibian Finance Minister must be that De Beers might pack up, send its confidential prospecting maps back home and declare that there are more than enough diamonds to be had elsewhere in the world . . .

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Charlton FC continues fight for survival

By Allan Forrest

CHARLTON ATHLETIC will not play football today, but the troubled Second Division club's fight for survival will continue.

In the High Court yesterday Mr Justice Mervyn Davies was told that the Football League had agreed to postpone the match, raising the threat of expulsion of the club. He also adjourned an application by the consortium headed by the Sunley property group asking for an order requiring the Official Receiver to sell part of the club.

Sunley had asked the judge to order the receiver to sell the club's players and goodwill for a nominal £5,000 enabling them to play today's match, with a full transfer of ownership to follow.

Counsel for Charlton's main creditors—the Inland Revenue and Adelong, belonging to Mr Michael Gliksten, the former chairman—both urged acceptance of the Sunley deal. This includes payment in fulul to preferential creditors, 70p in the pound totheLeague and 60p in the pound to unsecured creditors.

The club is said to bave debts of about £1.5m.

Kinnock names front bench replacements

By Margaret van Hattem

MR NEIL KINNOCK, the Labour leader, yesterday announced replacements in the party's team of front bench line-up, following the sacking earlier in the week of two spokesmen who broke ranks by voting against the Government in the Cheltenham union debate, instead of abstaining.

Miss Harriet Harman, MP for Peckham

Miss Harriet Harman, MP for Peckham, and Mrs Margaret Beckett, MP for Derby South, have been appointed to speak on social security and bealth, replacing Mr Frank Field and Mr Max Madden.

At the same time, Mr Roy Hughes, MP for Newport East, bas been appointed junior spokesman on Welsh affairs, replacing Mr Ioan Evans, who died last month.

Capital issues up at £240m

Financial Times Reporter

CAPITAL ISSUES in February totalled £240m, somewhat more than in the previous two months, but well down from the high levels of last summer and antumn.

Figures issued yesterday by the Bank of England showed £120m of new loan stock was issued in February with a further £106m of issues hy overseas borrowers, mainly state and central governments.

Only £21m of rigbts issues appeared in the month, compared with an average of about £200m a month in the summer and early autumn.

Harland and Wolff wins £30m defence contract

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE Ministry of Defence bas awarded a £30m order to Harland and Wolff, the Belfast shipyard, to convert a container ship into an aircraft training vessel.

This brings the order book of the state-owned yard to £140m. The contract comes as Harland, struggling to reduce beavy losses, is also looking for merchant business.

The ship to be converted is the 18,000 ton Contender Bezant, built in Venice in 1981. It is owned by Sea Containers, the shipping and container group based in Bermuda and New York and with operations in London.

Operated under the British flag, the vessel will soon end a charter to Hapag-Lloyd of West Germany. She was used during the Falkland campaign as a hostel and storage ship.

After conversion, she will replace the Engadine as part of the Royal Fleet Auxiliary. She will enter service in 1986 and be able to carry six helicopters and transport six Harrier aircraft.

Mr John Lee, Defence Procurement Minister, said: "It will provide greatly improved facilities, primarily for training helicopter pilots and observers at sea."

Harland recently completed work worth £6m on a floating port for the Falklands and is carrying out a £2m refit on the Rangatira ferry, which returned from the South Atlantic last October.

The bulk of its order book consists of a large carrier for British Steel and four refrigerated cargo ships for Blue Star Line. The yard employs 5,500.

Converting the Contender Bezant will provide employment for about 1,000 over two years, the company said. Harland is also tendering to build the replacement for the Sir Galahad, the military equipment transporter sunk in the Falklands.

On the merchant side, the yard is seeking orders for the Friendship series of multi-purpose cargo vessels developed by the Japanese company Ishikawajima-Harima Heavy Industries (IHI) and costing about £10m each. It won rights to build them in an agreement last November.

The Belfast yard is also hoping to build a new type of tanker for British Petroleum which would cost more than £50m and be used to take oil from marginal fields.

Harland's search for work within a depressed shipbuilding market reflects its intention to bring down losses, which were almost £40m in the year to March 31, 1983, including heavy restructuring costs.

Bechtel withdraws Scott Lithgow bid

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

THE UK arm of Bechtel, the U.S. civil engineering corporation, yesterday withdrew from the three-company race to takeover British Shipbuilders' Scott Lithgow yard on the Lower Clyde.

This leaves Trafalgar House, the shipping and property group, and Howard Doris, the Anglo-French consortium which runs an offshore fabrication yard in the Scottish highlands.

They are hoping to win the approval of Britoil to complete a £88m order for a semi-submersible drilling rig from Scott Lithgow, which the oil company cancelled in December when the contract had fallen two years behind schedule.

A decision is expected soon in the negotiations which have involved the Government, British Shipbuilders, the three contestants and Britoil, as well as Ben Odeco and Lloyds Leasing Britoil's partners in a consortium producing the rig.

Bechtel said yesterday it thought its proposals for Scott Lithgow and the completion of the Britoil rig would have proved successful.

Its costs plus pricing could, however, have meant additional expenditure of about £40m. Bechtel also proposed a three-month "technical audit" before any work was resumed and insisted that the 3,000-strong workforce be made redundant before re-hiring.

Trafalgar House has appeared favourite with an agreement worked out with British Shipbuilders to take over Scott Lithgow.

The Howard Doris consortium, led by Mr Albert Granville, has revealed little of the details it has put to Britoil. However, the company is known to feel at a political disadvantage, sensing that the Government is less well disposed towards it compared with Trafalgar House.

Five European countries sign nuclear research pact

BY DAVID FISHLOCK, SCIENCE EDITOR

EUROPEAN nuclear research programmes costing about £300m a year are to be combined in a single European effort to develop a commercially competitive fast breeder reactor.

The governments of the participating nations make it clear they expect significant economies from the pooling of national research and development resources.

Agreements pledging cooperation were signed in London yesterday by the agencies handling reactor and fuel development from five of the six participating nations.

This follows the signing of an inter-governmental memorandum of understanding between the energy ministers of Britain, France, W. Germany, Italy and Belgium early in January.

The sixth participant, the Netherlands, has postponed signing while still engaged in national debate on the future of nuclear energy.

Professor Sir Peter Hirsch, chairman of the UK Atomic Energy Authority, said the agreement related to a full exchange of fast reactor information and technology "leading to a single European strategy."

Two other agreements signed yesterday were between the heads of the five nuclear fuel companies, and between the heads of the five fast reactor development companies.

The joint European programme's first aim will be development of a demonstration fast reactor of commercial size — of about 1,500 Mw — together with associated manufacture and reprocessing technology for its plutonium fuel.

This demonstration, expected to start construction in the late 1980s, is likely to he in France, but Britain's Central Electricity Generating Board, with government backing, has indicated that it might take a 15 per cent stake in the project.

Engineering output up 1%

FINANCIAL TIMES REPORTER

THE OUTPUT of the combined engineering industries rose by only 1 per cent last year and the mechanical engineering sector continued its long decline, its output falling by 6 per cent, according to Trade and Industry Department figures.

There was, however, a marginal 1 per cent rise in mechanical engineering output in the fourth quarter compared with the third quarter.

Among industries showing the greatest recovery in the fourth quarter were bearings, up 18 per cent on the third quarter; engines, up 15 per cent, and pumps, up 13 per cent. Agricultural machinery output fell by 17 per cent.

Instrument and electrical engineering sector output was up 7 per cent in the full year compared with 1982 and up 1 per cent in the fourth quarter over the third.

A 33 per cent rise in production of batteries and accumulators in the fourth quarter compared with the third was offset by, among other things, a 23 per cent fall in output of records, tapes and electronic consumer goods.

Functions go in Civil Service cuts

BY ROBIN PAULEY

THE REDUCTION in the size of the Civil Service, down to its smallest size since the Second World War, is being achieved principally through dropping some functions and providing a lower standard of service in others, according to a Treasury analysis published yesterday.

The Treasury's annual report on Civil Service manpower reductions showed that by January 1, 1984, the service was down to 632,600 people, on line for the target of 630,00 by the end of this month, compared with more than 730,000 when the Conservatives came to power in 1979. A target of 593,000 by April 1988 has been announced.

The 1982-83 analysis showed a net fall of 17,450 or 2.6 per cent during the year after allowing for staff increases in some departments, notably the Home Office, where more prison officers were employed.

The fall produced net financial savings which, translated to a full year, total £87.6m—£175.8m of savings and £88.2m of new costs.

But about £54m of savings were achieved by "dropping or materially curtailing a function." Savings of £52m came from general streamlining "including lower standard of service."

This underlined the fact that a smaller Civil Service was not doing everything that the Civil Service used to do and implied that the decision to set an overall target for manpower reductions, rather than rely on improved efficiency and effectiveness for future savings, ment more entire Civil Service functions would bave to be dropped or cut in coming years.

On the other hand, the Government's drive for more efficiency and effectiveness in the Civil Service, including cost centres and devolved budget management, was beginning to show some substantial dividends in spite of critics' assertions that drives such as the Financial Management initiative were marginal activities which detracted from policy to no real benefit.

Carrying out work more efficiently by changes in method produced savings in the year estimated at £33.9m and a cut of 5,404 jobs.

Some of the savings were transfers of function from the public to the private sector. Privatisation saved £1.7m and lost 304 jobs.

Hiving off to new or existing public sector organisations cut 600 jobs—principally the moving of the district audit service into the Audit Commission which cut 501 jobs nominally at the Environment Department.

Contracting-out to private sector contractors saved £4.5m and lost 3,725 jobs. More than 1,000 of these jobs were lost in Property Services Agency work on building maintenance and building design.

The Defence Ministry lost 1,570 jobs by contracting-out cleaning and catering, and transferring motor claims and employer's liability risks to commercial insurers.

The two main increases in costs were £35.3m and 4,234 jobs for new activities; £53m and 7,528 from increases in workload such as at the Inland Revenue because of taxation of unemployment benefit; increases at the Employment Department caused by the increase in the number of benefit payments; increases throughout the Home Office services; and increases at the Department of Health and Social Security because of increases in demand-led benefit areas and in special hospitals.

Flotation of Jaguar unlikely before July

By Peter Riddell, Political Editor

THE FLOTATION of Jaguar Cars as a separate public company unlikely to take place until July at the earliest and possibly not until the Autumn. This has become clear following the continued argument in Whitehall about the form of the disposal of Jaguar by BL.

Mr Norman Tebbit, Trade and Industry Secretary, told the Commons on Wednesday he was considering BL's 1984 corporate plan. This "includes the board's proposals for the first steps towards the return of the business to ownership by the public."

These remarks are being officially interpreted to mean any earlier hopes of a spring flotation have definitely been ruled out.

This is both because the Government has to reach a decision on BL's corporate plan, probably in the next few weeks, and because a flotation cannot coincide with BL's results, likely towards the end of this month.

This means a July offer on the stock market is the earliest possible, with an autumn date being more probable.

A sale to a foreign buyer has been rejected and Mr Tebbit has said Jaguar is probably too big an operation for a management and workforce buy-out.

Moreover, Mr Tebbit's Cabinet colleagues are critical of BL's preferred option, backed by the Trade and Industry Department, of retaining 20 per cent to 25 per cent of Jaguar's shares.

Low-cost Orion to be launched next month

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FORD has bowed to pressure from its dealers and will launch a low-cost, low-specification version of the Orion in Britain next month.

The Orion, a stretched adaptation of the Escort with a boot, was seen by many in the trade as a more natural successor to the Cortina, for many years Britain's best-selling car, than the Sierra, which is a hatchback saloon.

However, Ford launched the Orion last October only in GL and Ghia, up-market versions, aimed at private buyers rather than company fleets which account for more than 60 per cent of the group's UK sales. Dealers hope the L version will attract fleet buyers. Lanching only up-market models was seen as a move to avoid putting the Orion in direct competition with the Sierra which, although taking an 8 per cent share of the market—and which was second only to the Ford Escort in the best-selling car list last year—has not lived up to Ford's expectations.

Mr Roger Hoare, chief executive of the Harold Perry Group, one of Britain's main Ford car distributors, said yesterday: 'One of the dangers we face with the Orion L (the lower-cost version) is that it might take sales away from Sierra. But it is not a significant danger because it is a sligutly smaller car."

At 165 inches, the Orion is 8.8 in longer than the Escot and 7.9 in shorter than the Sierra.

Mr Hoare added: "I am sure we will sell more Orions and Sierras combined with the L version of Orion than we would without it."

Dealers suggested that Orion sales got off to a slow start and it has reached the top-10 list once, in November last year.

Ford maintained that production bad exceeded 80,000 units at the Halewood, Merseyside, and Saarlouis, West German, plants where output of the L version will begin in March.

Teb group expected Orion sales to account for over 3 per cent of the UK market this year, up from about 2 per cent so far, with the L version taking half thetotal. hTis would indicate Orion annual production of about 50,000 for Britain.

Orion L . . . hopes that it will attract fleet buyers

Virgin 'reputation on the line' over airline

By Michael Donne, Aerospace Correspondent

MR RICHARD BRANSON, founder of the Virgin Group of record and leisure companies which has taken a controlling interest in the new Virgin Atlantic Airways, said yesterday he was putting his group's reputation "on the line" to make the fledgling airline succeed.

Mr Branson was addressing the public hearing in London by the Civil Aviation Authority of the Virgin Atlantic application for a licence to fly between Gatwick and Newark (New Jersey) from June 15 at an initial fare of £99 single, rising to £119 in mid-summer. The bid is being opposed by British Caledonian Airways.

"We are putting our reputation on the line, and our reputation is worth a great deal to us," said Mr Branson. "We have not let anybody down in 17 years of business and we are not planning to let anybody down over this airline."

Virgin Atlantic was called British Atlantic until this week when Mr Branson bought the majority shareholding for a reputed seven-figure sum.

£200m mortgage offer by U.S. group

ABOUT £200m will be made available for home mortgages in the UK this year by Commercial Credit, the lending institution owned by Control Data of the U.S.

The company, which entered the mortgage market only last October, will make loans from £20,000 to £100,000 providing up to 80 per cent of purchase price.

Michael Donne assesses the need to lift the ceiling on aircraft movements

Heathrow runs into space problems

PRESSURE on the Government is mounting for a revision upwards of the planned limit of 275,000 air transport aircraft movements a year at London's Heathrow airport, intended to become effective when the new Terminal Four opens there in late 1985.

The proposed limit was announced, for environmental reasons as far back as December, 1973, when it waa thought unlikely that it would be exceeded before the mid to late 1980s.

In fact, it will be exceeded this summer, with somewhere between 227,000 and 287,000 movements (including cargo and helicopter flights but excluding business aircraft and military flights) expected for 1984.

This figure covers activity at the three existing terminals, which can handle about 30m passengers a year, and which actually handled close to 27m passengers and over 260,000 movements last year.

If the potential capacity of Terminal Four, now under construction, is taken into account, adding about 8m passengers and several thousand movements annually to total Heathrow activity, it is clear that the number of aircraft movements could reach ?—?—?— exceed 300.000 in 1985/86.

If the Government, as a result of the past two years' public planning inquiries, were to approve a Terminal Five at Heathrow, adding another 15m passengers and many more thousand aircraft movements a year the figure of total movements in the late 1980s could rise well beyond the 300.000 level, perhaps up to as high as 325.000.

The airlines, and the British Airports Authority, are deeply worried about this situation.

Their concern is accentuated because many in the air transport industry do not believe that either the Civil Aviation Authority, which is conducting a policy review on behalf of the Transport Department, or the civil servants in Whitehall, understand the gravity of the situation.

They fear that if the Government sticks to its plans—reiterated last month by Mr Nicholas Ridley, Transport Secretary—the arbitrary limit of 275,000 movements will be imposed in late 1985, regardless of what happens in the meantime.

This would mean savage cuts io operations at Heethrow to bring the risiog volume of aircraft movements down to the rigid level from the 300,000-plus figure it would have already reached. This would cause chaos in the international and domestic air transport industry.

There is even a fear that the Government might seek to impose the limit earlier than late 1985, if it sees traffic rising sharply, so as to placate irate environmental lobbies who are anxious at what is happening.

Either way, some severe dislocation of air transport into and out of the busiest international airport in the world would be likely to ensue, with consequent damage to the UK economy.

The problem has been caused by events overtaking the forecasts—a not unusual situetion in world air transport.

During the recession of the past two or three years, when air transport growth in the UK was either low, or at a standstill, the proposal for a ceiling of 275,000 transport aircraft movements a year at Heathrow from late 1985 did not seem

The aireraft line np . . . will Heathrow cope?

unreasonable.

But, through 1983, the situation began to change, and that chaoge has been accelerating. During 1983, aircraft movements at Heathrow rose by 3.6 per cent to reach 260,100.

On the basis of current rates of activity — and taking no account of any further increase —this means that the proposed 275,000 ceiling not only will be breached this year, but also left trailing in the wake of air transport expansion in 1985.

One reason is thet an increasing number of domestic airlines are seeking — and often getting — rights to fly into Heathrow with small aircraft, seating perhaps 30 or so passengers, taking up runway and apron "slots" that could be used for bigger jets.

The airlines' own independent scheduling committee at Heathrow tries to sort this out, but says that often it can only offer slots as much as 2 hours later than an individual airline may want. Everybody remains dissatisfied.

A further problem is that airlines remain reluctant to move to Gatwick, south of London, despite the fact that a terminal is being built there to enable that airport to cope with 25m — against the present 16m—passengers a year.

The scheduling committee has told the CAA in its submission on the policy review that "a significant degree" of runway saturation will prevail at Heathrow in 1984. "The arrival and departure capacities are now saturated for seven and five hours of the day respectively," it says.

Moreover, in the coming summer, the capacities of the terminal buildings, set at 10,500 passengers an bour at peak periods, will be reached, if not exceeded, and this will also create surface vehicle congestion in the Central Area of the airport.

There is still some room for manoeuvre by persuading airlines to make more use of slacker periods of the day, but the growth in domestic and international air services is already removing much of that spare capacity, and this will get worse in 1984.

The view is that, if the Government insists on retaining the 275,000 ceiling on movements from late 1985, when Terminal Four opens, an impossible situation will arise at the airport—even if it does not arise before then.

The cut of operations that would be needed at the airport, so as to bring movements back to the 275,000 level, would be disastrous for many airlines, perhaps even driving some of the smaller ones out of business.

To avoid this, the airlines want a realistic appraisal of the situation now, preferably before the CAA's policy review is completed.

The airports authority argues thet the CAA could do much to alleviate the problem by licensink more schednled services from Gatwick and Stansted, emphasising the need to improve them as major airline "hubs" with services radiating out to all parts of the world.

Also, the airports authority believes the situation strengthens the case for developing Stansted as the third major airport for London, and rejecting any Terminal Five at Heathrow.

The latter, if developed, would clearly enforce an upward revision of the number of permitted movements at Heathrow, whereas Stansted would provide an open-ended option for handling air traffic growth well into the next century.

Landlords may be given investment assistance

By Ivor Owen

WAYS OF encouraging investment in the provision of rented accommodation are to be examined by Government, it was announced yesterday by Sir George Young, Under Secretary for the Environment.

In a housing debate in the House of Commons he said a review of existing landlord and tenant legislation would seek to identify the action needed to meet market needs and look at the scope for initiatives.

Sir George acknowledged that the matters to be considered included the need to try to establish conditions in which investors and landlords could be given the confidence and desire to put resources into the private rented sector.

He denied Labour charges that the Government's failure to allocate substantially more public investment to local enthority programmes meant e collapse in the overall house building programme was on the horizon.

Sir George emphasised the sharp growth last year in private sector housing starts, which, at 167,000, was the highest number since 1973.

He said more and more people were looking to the private sector to meet their housing needs and the rising level of earnings was helping them do so.

By the end of last year the cost of buying a first house bad fallen from the equivalent of 2.7 years of male earnings to 2.5 years.

Britain 'should use less energy'

By A Special Correspondent

BRITAIN should cut its energy use by up to 4 per cent every year for the next 30 years, Professor Meredith Thring said at the Sizewell B inquiry yesterday.

He claimed the only practical energy policy for Britain was "economy and thrift."

Prof Thring Emeritus Professor of Mechanical Engineering et Queen Mary College, London, was a member of the Advisory Committee on Research and Development which advised the former Ministry of Power.

He is now retired and lives in Suffolk about 15 miles from the proposed site of the pressurised water reactor. He gave evidence on behalf of local councils.

Prof Thring said there was already a large over-capacity of electricity generation and power statioos were being moth-balled before they were worn out.

He advocated the development of combined heat and power supply from existing power stations and a future based oo electricity geoeration from coal burning and renewable sources.

If any new power stations were built the cost of electricity would inevitably rise, he claimed. Sizewell B would become a "dinosanr," one of the last of a dying breed.

Tunbridge film service closed by Rediffusion

By Raymond Snoddy

REDIFFUSION THIS week closed one of its five experimental projects offering subscription films on cable television, after two years' operation.

The Starview film channel service at Tunbridge Wells, Kent, had offered 10 to 12 films a month for a total monthly subscriprion of £6.50 hut attracted 600 subscribers only from a cable system covering 6,700 homes carying BBC and ITV programmes.

Its last film, on Wednesday night, was The Border, starring Jack Nicholson.

Closure came as Rediffusion is completing plans to operate four entertainment channels, including a film channel, on many of its existing cable networks throughout the country.

Rediffusion said the Tunbridge Wells network was too small to justify the cost of upgrading to take new cable services. Its four other pilot schemes, at Reading, Burnley, Pontypridd and Mull, are to be upgraded for new services this year.

Optica aircraft nears production flight

THE FIRST Optica observation aircraft off the production line will fly in April. The three-seat, low-speed aircraft, propelled by ducted fan, waa introduced in 1980 by Edgley Aircraft. It has been ordered world-wide for pipeline and border patrols, aerial survey, police, coastguard and customs use.

The company created 100 jobs at Old Sarum airfied, near Salisbury, Wilts and brought the aircraft to production stage with private venture capital and government grants of 5 per cent of total investment to date.

Its orderbook stands at 71 aircraft worth £5m. It plans to invest a further £3m to take the workforce to 150

Union Bill changes extend ballot deadline

BY PHILIP BASSETT, LABOUR CORRESPONDENT

THE GOVERNMENT is changing the timing of key parts of the Trade Union Bill, which will give unions an extra six months to hold membership ballots on the continuation of their political funds.

Unions and the Labour Party are likely to use the time to intensify their expected campaigns to keep political funds. But the party fears the effect of the Bill will be to reduce the amount of money it gets from unions.

Ministers have agreed to the extension to avoid confusion which might have arisen from ballots on the unions' political funds coinciding with ballots for the election of unions' executive committees.

Some ministers were worried that if the two sets of ballots were held together the Bill's opponents might have more chance of deflecting its provisions.

When the Bill, now in its committee stage, was published in November, the Government intended to put into effect the provision for a 10-yearly ballot on keeping political funds two months after the Bill received the Royal Assent.

Unions would heve had a year after that in which to hold ballots.

The Bill is likely to become law in the summer and Royal Assent is expected in September or October, which would have given unions up to abont November next year to arrange their political fund ballots.

The Government has replaced the time of two months from Royal Assent with March 31 next year for the provision to come into force.

This will take the time limit for ballots to be held to the end of March 1986—up to six months after the original closing date.

The Government has also tabled a new clause to the Bill, allowing union officials within five years of retirement to keep their jobs without having to stand for re-election. The Bill provides for such elections every five years.

The effect of the clause is to remove the threat of job loss, and in some unions loss of a house and car, from full-time officers of a union who are also voting members of its executive committee, as in the AUEW or the electricians' union.

The clause, laid down on Thursday, will form a new Clause 4 of the bill. It results from opposition pressure arising out of representations made mainly by Mr Terry Duffy, president of the Amalgamated Union of Engineering Workers.

The clause specifies that the people concerned must have been full-time employees of the union for 10 years, though not necessarily consecutive years, that the union'a rules also exempt them from standing for re-election; that they are within five years of the union's, or the state's, retiring age, whichever is the earlier; and that they have been elected or re-elected within the previous five years.

Len Murray to boycott Dimbleby's Budget show

BY BRIAN GROOM, LABOUR STAFF

MR LEN MURRAY, TUC general secretary, bas told the BBC that he is not prepared to appear in the Budget Day television programme presented by Mr David Dimbleby, who is in dispute with members of the National Union of Journalists.

However, the NUJ executive last night drew back from an outright collision with the Government's employment laws.

After an all-day meeting in London the executive decided "for the moment" not to make official the strike by journalists at Mr Dimbleby's newspaper group in Richmond, Surrey.

Five Law Lords had on Thursday refused to lift a temporary injunction taken out by Mr Dimbleby ontlawing the strike.

Mr Eddie Barrett, NUJ president, said the union had taken the decision because the law had made it impossible "for a trade union to do its job properly."

However, the strike by nine NUJ members at Richmond will go on with the NUJ's moral support, if not its formal backing. Mr Ken Ashton, NUJ general secretary, said the ball was in Mr Dimbleby's court.

Mr Ashton and Mr Barrett will next week visit the NUJ's BBC current affairs chapel (office branch) at Lime Grove for further discussions about whether to black Mr Dimbleby's appearance on the Budget programme.

The two men would not say what recommendation they would put to the chapel—which has already refused once to black Mr Dimbleby—but they will point out Mr Murray's action and the Labour Party's earlier decision in principle that its leaders would not appear on the programme.

The strike at Richmond began because of Mr Dimbleby's decision to have his papers printed by TBF printers of Nottingham, following a dispute with the National Graphical Association that led to Mr Dimbleby closing down his printing works.

TBF is associated with T. Bailey Forman, publishers of the Nottingham Post, with which the NUJ has been in dispute since the 1979 provincial journalists' strike.

Mr Murray's decision has been conveyed in letter to Mr Alasdair Milne, director-general of the BBC. Mr Murray said that given the position of the NUJ and Mr Dimbleby's pending High Court action against the union, he did not think it would be appropriate for him to appear in the programe with Mr Dimbleby.

Mr Murray went on to say that be was aware that the BBC required its staff to ensure that their private interests and activites did not adversely affect the BBC's reputation for impartiality.

Chemical workers seek 'significant' pay rises

BY OUR LABOUR STAFF

LEADERS of 35,000 chemical industry workers yesterday lodged e claim for "significant" pay rises. They also want a shorter working week, which employers are certain to refuse.

The unions are seeking a significant improvement in the £80.56-a-week national basic rate from May, better shift payments, a cut in the 38-hour week, and a minimum 25 days' annual holiday.

The claim affects 40,000 process workers in the hargaining group of companies in the Chemical Industriea Association, but has a spin-off effect on 115,000 others. The association will reply next month.

Also on the pay front, negotiators of the Association of Scientific, Technical and Managerial Staffa have rejected a 6.5 per cent pay offer to 7,500 staff at Norwich Union insurance group. Talks are to continue.

Mr Tony Whiteley, ASTMS divisional officer, said members at Royal Insurance and Pearl were considering offers worth 7 per cent.

Leeders of the shopworkers' union Usdaw are recommending acceptance of a 6 per cent pay offer from retail food multiple employers, including supermarket chains like Tesco and Fine Fare.

Robb occupation ends

THE five-week-long occupation of the Henry Robb shipyard in Leith, Lothian, ended yesterday.

The 14 men who locked the gates of the yard when it was closed by British Shipbuilders marched out, led by a piper, and condemned their union leadership for its lack of support.

The shop stewards' convener, Mr John Keggie, said: "We have been sold down the river by the ahipbuilding negotiating council." The workers had been advised last week to accept the situation and call off their action.

Mr Keggie said the men were bitterly disappointed and angry with their leaders who had given them no financial or moral support.

During the occupation the workers held "hostage" an unmanned mini submarine which was the yard'e last contract.

The action committee would continue to meet on a regular basis, said Mr Keggie, and would watch for interest in the yard.

● A atrike which has paralysed Scotland'a biggest pit for the last three weeks is over. The 340 craftsmen at Kirkcaldy's Seafield colliery yesterday voted to return to work on Monday.

Talks will be held with the National Coal Board on new shifts and the downgrading of a craftsman, which led to the dispute.

Shoddy building work attacked

SHODDY WORK by some private contractors working for public anthorities has cost far more in repairs than in ectual construction, it was alleged yesterday by the Union of Construction, Allied Trades and Technicians.

The union has launched a campaign to defend the direct labour organisations, set np by public bodies and employing about 84,000 manual workers.

The union has issued a pamphlet giving examples of inefficiency, shoddy work and high costs by some private contractors.

THE WEEK IN THE MARKETS

Taxing time for life shares

LONDON

ONLOOKER

The Budget is just over a week away and the rumours are flying thick and fast. The City generally is convinced that the Chancellor will adopt a broadly neutral Budget but that might not stop him having a good swipe at the tax concessions enjoyed by large parts of the savings industry.

Fears that the advantages enjoyed by the big battalions of the savings market might be wiped away heightened as the week progressed. The City has already been treated to the sight of the Revenue attacking tax concessions held by the building societies on their gilt books and then it swung round and told the banks to start deducing tax from interest paid to depositors.

If the Chancellor is committed to ironing out the anomalous tax advantages of some parts of the savings industry, sweeping changes could be on the way in the Budget.

The tax relief enjoyed by savers with life assurance companies could be high on the Chancellor's list for the axe. That would deprive the life assurance industry of one of its strongest marketing points. Those doubts were enough to put life company shares onto a slippery slope this week. On Thursday alone the FT-Actuaries life insurance sector lost a dramatic 5.9 per cent.

The banks have also turned weak ahead of next week's full year figures for 1983. It is not anxiety over the results which is unsettling investors hut fears that the clearers could be a target for some revenue raising by the Treasury.

Composite relief

After the dreadful figures from Commercial Union last week, investors held their breath waiting to see if General Accident and Royal Insurance were preparing to unveil equally horrible results. But this week's two composites didn't let their shareholders down.

General Accident doubled its final quarter profits to £21.3m, putting the full year ahead by £21.1m to £65.6m pre-tax. Royal may have looked a little less impressive with £88.4m for the year compared to £96.5m but that was in line with earlier forecasts made ahead of CU and well over some of the panic downgrading which had a few dealers talking of £80m to £85m.

GA's experience in the U.S. looks particularly encouraging. Unlike CU and Royal, which have roughly a one third/two thirds split between personal lines and commercial lines GA breaks down around 55 per cent personal lines and 45 per cent commercial in the U.S. Personal insurance in the U.S. may still be running up underwriting losses but after investment income those activities are generally in profit. Not so with commercial business, especially on workers' compensation insurance, where the position seems still to be deteriorating.

While Royal's problems in North America appear to be nowhere near as bad as CU's, it has been hit in Canada by increased competition and severe weather conditions. Fourth quarter underwriting losses in Canada were up to £20.6m. In the UK, however, results were better than most outsiders were expecting with losses stabilising on commercial lines, which looks like good news for the future.

Of the three composites to have reported so far, the shares of GA are possibly the most soundly based. The group should be able to keep up some respectable profits growth and with a dividend already twice covered, the payout should move up in line with higher earnings. Shareholders can sleep easy with Royal's 8 per cent yield, though there is still debate over the extent of this year's likely profits outcome. While £120m seems to be the generally accepted figure some outsiders believe that implies too much recovery from the States and profits growth will be nowhere near that. CU clearly has no scope for increasing its dividend this year.

Steady at Vickers

Ahead of the full year figures from Vickers this week, outside forecasters had been nervously downgrading their estimates, expecting another nasty dent to the profits performance as a result of the serious strike at the Crewe plant of Rolls-Royce Motors. In the event the market was pleasantly surprised by virtually unchanged profits for 1983.

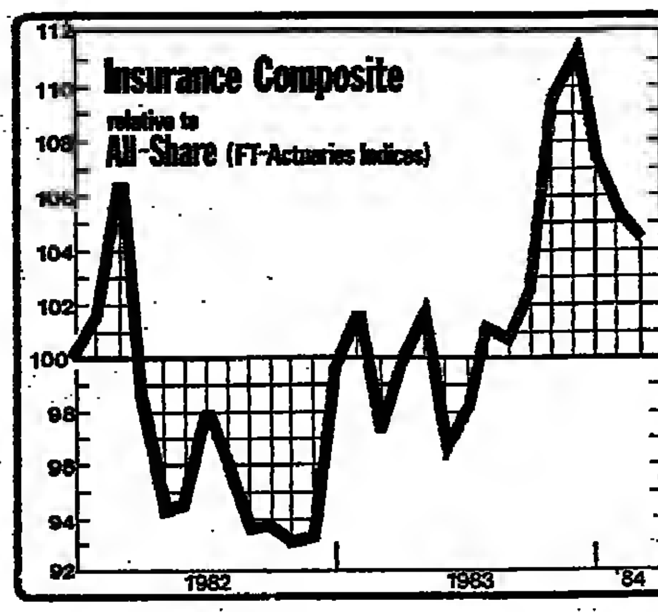
After the setback from £10.2m pre-tax to £7.5m at the half way stage the City was thinking Vickers might be hard pushed to produce anything more than £18m-£19m for the full year. Some pessimists were talking of nearer £16m. Yet, despite the £4m cost of the five-week Rolls-Royce dispute which lost the group 215 cars and dropped that division's profits down to just over £1m from over £6m, group profit levels are almost intact at £19.5m against £19.6m.

The lithographics plates and supplies business, Howson Algraphy, played a major role in holding the profits line. Free of the teething problems which hamstrung its new Leeds plant the year before, profits surged forward from £5.7m to £10.4m.

Elsewhere both marine and defence made respectable showings, profits up 32 and 10 per cent respectively, while the emerging healthcare and instruments business bounded ahead with profits up from under £1m to £2.6m.

Looking to 1984 everything, more or less, seems to be coming right. Last year's problem areas, mainly prestigious cars, have been left behind and with other divisions apparently experiencing solid demand, the coming year could be the period when Vickers takes a major step forward towards recovery.

Helped by falling interest costs, as cash from the sale of the diesel division flows through to further cut debt levels, profits this year might come out over £30m. The shares have risen from 105p or so last November to nearly 160p and probably haven't run out of steam yet though, given Vickers' mishaps of the past, caution is still required.



Battling Bassett

Dr John Randall, chairman of Avana, may he feeling a little unloved in the Square Mile at present. Unlike 1981, when Avana's offer for Golly jam maker Robertson was widely backed in the City, his offer for sweet-maker Bassett Foods seems to be getting the thumbs down in most quarters.

It is not that Avana is any less thought of as a well run foods group but that the City believes his terms—an equity swop of two Avana for every 7 Bassett worth £17m—has been pitched too low. If that bid had been launched six or eight months earlier Bassett's defences may have been found to be seriously wanting.

Now the sweet maker has been ahle to mount a spirited defence on the back of a profits recovery to £2.5m pre-tax for the year ending this month against £1.7m. The current management argues that it has not been at the belm long enough to show its paces and Bassett shareholders who have stuck with the lean times should not let Avana reap the rewards of recovery.

In many respects Bassett is taking classic defensive lines, but that makes them no less sound. And the 49 per cent dividend increase promised for the year coming to a close means that private shareholders taking Avana paper would have to live with balved income.

Avana's main line of attack will be to concentrate on its own record vis a vis Bassett's, while stressing that the new Bassett management is not all that new and has taken its time working the recovery.

On balance Avana will probably bave to pay more if it wants to capture Bassett and certainly shareholders can afford to let Friday's first closing date slip by without worry. Of course there is a danger that Dr Randall will walk away rather than raise his terms; after all there are plenty of other more vulnerable targets in the sweets industry.

Lift for Airbus

The Government has agreed to lend British Aerospace £250m in launch aid towards the cost of participating in the A-320 Airbus project. It is not as much as BAe had been boping for but importantly the loan is concentrated in the early years, rather than being spread out into the next decade.

So, while BAe still has to find £400m or so from its own resources, the hunching of the loan means that Airbus will not be a drain on the group's cheque book until after 1988. Thoughts that BAe would have to make an early call to the City for fresh equity, or possibly a convertible loan stock, now look less well founded. Yet the sbares, which have been under this cloud over the last few weeks, reacted hy easing hack even further.

The judgment looks a perverse one. Structured as it is, the loan covers the early period up to the A-320'a certification and entry into service when the pressure on BAe'a funds would have been the greatest. And BAe's confirmatioo as a viable partner in the project keeps it to the forefront of wing development (it has already seen some useful spin-offs) and makes a large number of jobs look more secure.

Also the Government's offer allows BAe to commit £150m to developing its turbo-prop airliner. By the time the group has to seriously think of putting its own money into Airbus development, costs on the turboprop sbould he tailing off rapidly. Perhaps sight of a few orders for the Airbus will help sentiment and put a hrake on the share price'a downward drift.

Terry Garrett

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1983/4 High	1983/4 Low	
F.T. Ind. Ord. Index	838.9	+23.1	840.5	598.4	Economic and interest rate hopes
F.T. Gold Mines Index	673.5	+16.9	734.7	444.6	Middle East tension
Exchequer 9¾pc 1998 (£25pd)	25 7/16	+1 7/16	25 7/16	24½	Authorities supply stock
Amstrad Cons. Elect.	92	−14	114	48½	Disappointing int. statement
Border Breweries	258	+40	258	88	More involved bid situation
Bullough	330	+26	340	142½	Geo. Baker acquisition
Chloride	36	+8	36	18	Persistent demand
Consultants (Comp. and Fin.)	710	+110	710	145	Results and cap. reorganisation
Finlan (John)	194	+19	228	116	Share stake changes hands
General Accident	478	+33	478	354	Satisfactory results
London Brick	185	+18	185	62	Hanson Trust bid succeeds
McLeod Russel	265	+26	265	167	Tighter tea export controls
Martin (Albert)	51	+15	64	31	Wilson & Co. offers 42p per share
Miss World	163	+20	170	110	Hawley increases stake
NatWest Bank	710	−30	770	446	Budget tax fears
Oakbridge	53	−12	86	52	Interim loss/dividend omission
Pearl Assce.	790	−65	915	498	Premium relief abolition fears
Stylo	278	+40	340	100	Harris Queensway extends bid
Turner and Newall	94	+14	94	24	Demand ahead of results
Vickers	158	+13	164	86	Satisfactory results

Renewed inflation fears

NEW YORK

TERRY DODSWORTH

WHAT DID President Reagan really say? On Mooday there was no botter subject on Wall Street, as rumour followed rumour on the President's commeot about the hudget deficit to a group of state governors.

The initial suggestion was that Mr Reagan had said he was willing to consider defence cuts and perhaps tax increases as a quid pro qno for a broader agreemeot with Congresson on spending reductions and it predictably sent the market *into a* wild huying spree.

But perhaps this was just another of those famous Presidential slips of the tongue. At any rate, the White House was soon moving to deoy the suggestion and re-state the Administration's emphasis on Congressional responsibility for getting spending under cootrol.

By the end of the day, the Dow Jones Industrial Average had fallen hack from its early excesses to finish 14 points up, as the cootinuing intractibility of the budget problem re-asserted itself. The cynics over in the bond market, of course, bad no such difficulties with the President's Delphic utterances.

Prices indeed, drifted down, because, as one dealer observed: "The equity market may believe that sort of rubhish hut we dont."

The hard-nosed reactioos of the deht market seemed all the more realistic when Mr Paul Volcker, chairman of the Federal Reserve Board, put the boot io oo the Administration's policies yet again later in the week.

Mr Volcker's return to the ottack, after effectively putting the skids under Wall Street with similar arguments in his official appearance before Congress a few weeks ago, is being interpreted as a sign of his resolve at a time when he could come under increasing pressure to loosen the monetary reins ahead of the presidential election.

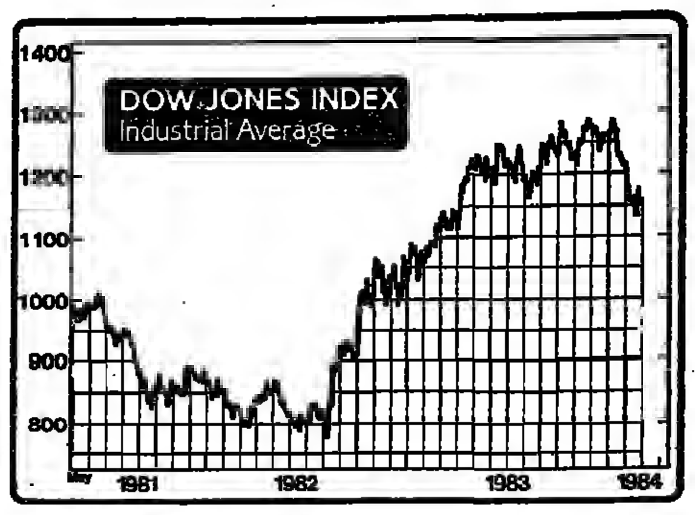
At the moment, he seemed to be standing firm, and that is reflected in the steady increase in yields at both the short end and — particularly — the long end of the interest rate structure.

The bellwether 12 per cent long bond moved up strongly during the week to its highest level for well over 12 months at 12.18 per cent only three weeks ago it was yielding just under 11.80 per cent.

The economic news has equally provided no help to the debt markets which are oow clearly running scared of the threat to renewed inflation.

All the latest figures seem to show a rapidly growing ecooomy, and this point was rubbed home this week by Wednesday's issue of the leading economic indicators, which showed a 1.1 per cent rise in January (the 16th increase in 17 months and the highest figure since October.

These bearish indicators for the deht markets do, on the other band, have at least some positive features for equity investors. Corporate profits are expected to continue to rise strongly this year — Drexel Burnham Lambert, the Wall Street securities house, for example, is expecting earnings increases of around 20 per cent and dividend rises of around the same amonnt. On this basis, DBL now believes that after the receot slide in equities, the stock market now offers reasonable value, given a total equity return, discounting future dividend flows, of about 4 per cent above the rate on bonds.



This week, indeed, there was no massive sell-off of the type that sent the market into reverse in February. Volume, in the 80m to 90m shares a day range, was low hy recent standards, and the Dow managed to hold on to some of the 45-point gain it achieved in its huge hound last Friday and Mooday. Many of the institutions, on the other hand, now seem to be aiming for a more liquid portfolio mix and are standing on the sidelines, parking their funds in money market instruments. Indeed, a signi6cant amount of this week's activity has come from speculative interest, particularly in the oil sector.

On at least two days during the week, the list of the 15 most active stocks on the New York Stock Exchange has contained at least seveo oil companies—a clear sign of the take-over fever which bas swept through the market in the wake of Texaco's acquisition of Getty Oil. Texaco itself was the subject of some of this activity as the enormously wealthy Bass family from Texas pondered whether to increase its $1bn stake further. Texaco's shares rose by $3¾ during the first four days of the week on a massive trading volume of 7.7m shares—but even then the main interest remained, focused on Gulf.

After its long guerrilla war with Mesa, Gulf finally threw in the towel this week, but only to declare that it was up for offer to a higher hidder than the persistent Mr T. Boone Pickens, Mesa's chairman. The front runner in the bidding stakes has now emerged as Atlantic Richfield, but Wall Stret is also hoping that there will be a good old-fashioned take-over scrap with Standard Oil of California joining in as well. If that happened, it would he the biggest battle in history. Analysts are talking about a $12bn price tag. From their 12 months low of around $30, Gulf shares bave more than doubled to just under $70—offering some rich pickings to T. Boone, even if he has to give way to a bigger hidder than himself.

MONDAY	1179.96	+14.86
TUEDAY	1157-14	−22.82
WEDNESDAY	1154.63	− 2.51
THURSDAY	1159.44	+ 4.81

FINANCE AND THE FAMILY

Taking a year off

BY OUR LEGAL STAFF

I would be most grateful for the benefit of your advice concerning retirement annuity relief.

I am 33 and as of September 30 1983, I am taking a year off. I am, thus, not employed and also ineligible for unemployment benefit. For the last several years my marginal rate of tax has been well in excess of 50 per cent. While in employment I was contributing 5 per centof my salary to a contracted-out occupational scheme.

What is the Revenue's definition of net relevant earnings? How much relief is available over and above the 5 per cent contribution I have been making?

Is this relief affected by life assurance cover? (I have usually been up to the maximum of one sixth of income).

What is the mechanism for "mopping up" relief for up to the last six tax years?

In your opinion, with spare capital available, are a few single premium annuity bonds the most efficient way to "mop up" previous available relief?

Have you any better suggestions?

As your earnings have arisen from a pensionable employment (no matter how inadequate the benefits), you are not eligible to pay restrospective retirement annuity premiums. There is an unpublished extrastatutory concession whereby members of some limited types of sponsored superannuation scheme (as defined in section 226 (11) of the Income and Corporation Taxes Act 1970) are allowed to pay RAPs—and to get to tax relief—but this concession does not help you, unfortunately.

Shares held in trust

A friend has a small holding in Oxford instruments worth approximately £300. To avoid losing his capital gain in broker's fees he would like to sell the shares to me at the current market value. May we do this, and if so, how do we set about its? If not, what is the cheapest way for him to dispose of his holdings?

There is no reason why your friend should not transfer the share to you. One simple and cheap method of achieving the desired result would be for him to make a declaration of trust in your favour, remaining on the registar as the holder of the shares. If that is done it might be wise to have the certificate deposited with you.

A gift of a house

A near relative, an elderly widow has made a will leaving her house and other property to her brother and sisters. She is concerned, though, that if she was struck down by an illness she might have to go perhaps for years to a geriatric hospital and that the hospital service could demand the proceeds of the sale of the house to help meet the cost of her stay in hospital. Is there some way of avoiding this?

The simplest way to resolve the problem would be for the person in question to make a gift of the house during her lifetime instead of by will. If she did this now she could be granted a lease at a nominal rent terminable on, say, two months' notice after her death or ceasing permanently to reside in the house.

Rights of way

On my deeds I have conveyance for the use of a right of way in common with other flat holders of this road.

The local corporation have agreed to development of plots rear of my premises and one of my neighbours.

The corporation have written to me as follows:—

Erection of two detached dwellings land adjacent to (x) "with reference to your letter of May 26, the proposed development does not obstruct the right of way but the Council have requested that the vehicular access to the arterial road be stopped up."

I would add that the owners of the site dispute that this right of way exists.

The owners of the site were the people who gave me conveyance to use of the right of way.

1—Could you give me that Act that gives the Corporation the right to take this right of way from us (if any)?

2—If we close the use of the right of way will the Corporation be liable for compensation for such loss?

It seems that the planning permission granted for the development of the plots has a condition attached which requires the stopping up on the access way. If that is the case, which you should confirm with the Council, the effect is not to close the access way but to make the planning permission only operate when the plot owners have arranged for the closure of the way. This they can only do by negotiating with the "dominant owners" who have rights of way over it. Thus no question of compensation arises. If your claim to the right of way is valid you can name your price or refuse to give up the right.

Trust fund for children

My children who are 14 and 11 have each been given £10,000 by relatives.

I would like to establish a trust fund with the following objectives:

1—To use the income for immediate educational and vocational needs.

2—To provide a capital sum which at age 21 can be given to them.

In establishing a trust fund and arranging for the payment of income is there ie any action I should take to minimise possible tax problems?

It is probably desirable for you to make a declaration of trust so as to establish that you have at all times held the funds on trust and not beneficially. However it would be necessary to know the full financial and fiscal position of each person involved to advice effectively as to tax saving. A declaration on trust for each child at 21 but incorporating the statutory powers of accumulation and advancement of the Trustee Act 1925 would be simplest.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Zero rated VAT

Last summer prior to commencing construction work within a room in my house I had telephone advice from the local VAT office to the effect that the proposed work could be zero-rated if I employed a builder and other tradesmen. Furthermore I was informed that the purchase of materials by myself used in the work would be VAT refundable. Subsequently the work has been completed and the builder has given me a zero-rated account for constructing a new solid floor with a damp proof course. Also I have had a zero-rated account from a joiner for installing kitchen units in the same room. The accounts clearly state that I supplied the ceramic tiles and the kitchen units.

I have been unsuccessful in obtaining a refund on the VAT I paid on the purchase of the tiles and units (on the grounds I am not registered), despite the previous advice from the VAT office.

We confirm that you are not entitled to reclaim the VAT on items purchased by yourself. The original advice given by the VAT office was incorrect.

A sudden rush of apathy

MINING

GEORGE MILLING STANLEY

"PEOPLE STAYED away in droves," as the old actor said of an extremely unsuccessful and now long-forgotten production in which he had been unfortunate enough to appear.

Something similar has been happening in the mining share market this week, and it is to be hoped that the mining companies which have been the victims of this sudden rush of apathy on the part of investors will be able to demonstrate the same sort of fortitude as that nameless old trouper.

Gold's attempt on the $400 per troy ounce barrier, and its subsequent failure to make any significant upward movement, shifted the spotlight from the South African gold mines, the usual stars of the sector, on to the Australian issues.

Unfortunately, in the general atmosphere of gloom and concern at the length of time it is taking for the robustness of the economic recovery to be reflected in significantly higher metal prices, the Australian shares failed to respond to this comparatively unaccustomed attention.

Prices retreated across the board. In theatrical terms, the hoofers in the chorus line were given their chance to star, but they signally failed to impress and have once more been relegated to the back row, well away from the limelight.

It is all a bit strange, and serves to illustrate the point that investors' tastes are every bit as fickle as those of the theartre-going public.

The corporate news from "down-under" has in fact been quite encouraging this past week or so.

With hindsight, it was perhaps a pity that the first two sets of Australian company results to appear this week should have come from Coal and Allied Industries (CAIL) and EZ Industries, both of which recorded operating losses.

These losses were in both cases the result of special factors, CAIL's deficit arising from the depressed state of world markets for both coking and steaming coal, and EZ Industries being hit by severe labour relations problems.

The Ranger uranium mine in the Northern Territory came to the rescue of EZ, however, and not for the first time. The group's 30.96 per cent stake in Energy Resources of Australia (ERA), Ranger's operating company, contributed a profit of A$7.8m, and this, coupled with A$5.84m from interest and dividends, gave EZ a first-half net profit of A$6.2m.

It was, then, no real surprise that the share price of these two companies should suffer, but there is no intrinsic reason why the shares of Peko-Wallsend should have reacted negatively to this week's announcement of profits not far short of twice the previous level.

Net profits for the final six months of 1983, the first half of Peko's financial year, jumped from A$6.11m to A$11.78m, helped by a first-time contribution of A$1.34m from the iron ore producer Robe River, acquired last September, and a sharply lower tax charge.

The biggest single factor in Peko's improved performance, however, was the company's stake in ERA, which is of similar size to that held by EZ Industries.

Nevertheless, Peko's share price fell 10p immediately after the publication of the figures, in sympathy with the rest of the Australian market.

Even more surprising is the case of the CRA share price, which dropped 12p after the announcement of the full-year 1983 results.

CRA had been widely tipped to do well in the wake of good profits announced recently by the important Bougainville Copper, Comalco, Hamersley Holdings and Mary Kathleen Uranium subsidiaries, and there can surely be little grounds for disappointment with a return to net profits of A$71.46m after the loss of A$13.63m in 1982.

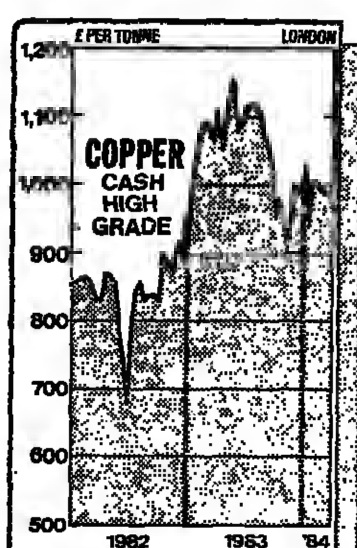
Kembla Coal and Coke, which suffered from the same problems as CAIL, was the only member of the CRA group which did not improve on the preceding year's performance, and there were the added benefits of a first-time contribution from commercial-scale production at the Argyle diamond joint venture and the increased stake in the aluminium-producing Comalco.

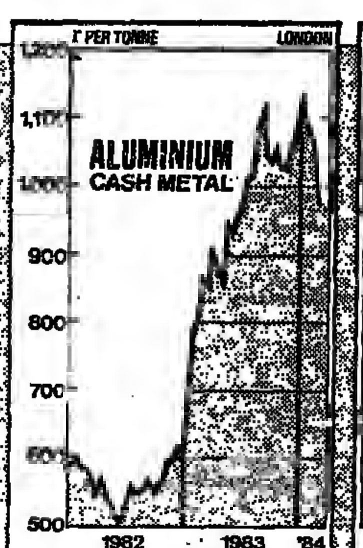
The final dividend was 9 cents to give a total for the year of 12 cents, compared with a single payment of 3 cents in 1982, but even that failed to impress the share market.

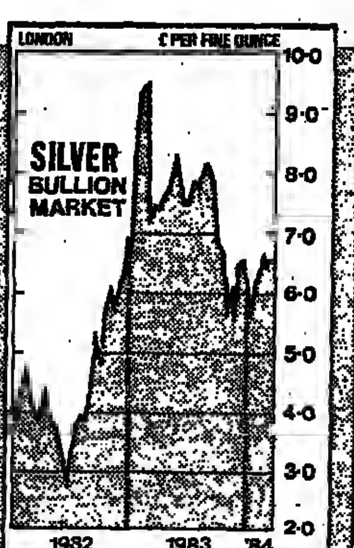
Sentiment may well have been influenced by the comments of Sir Roderick Carnegie, CRA's chairman. Characteristically downbeat, Sir Roderick pointed out that the return on the group's capital was a mere 3.7 per cent, even after the impressive results.

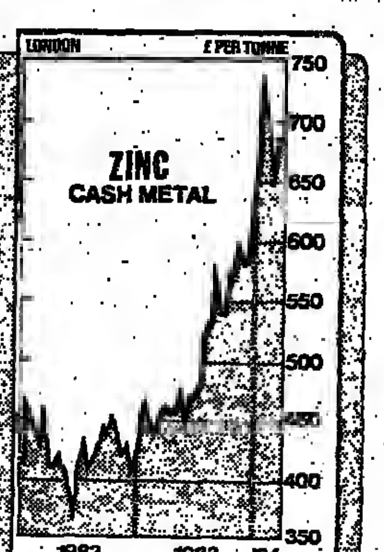
This level, he said, was meagre, given the risks involved and the rates available on fixed interest securities.

Investors were obviously inclined to agree with him, and marked the shares down accordingly. One wonders whether they will be so churlish with CRA's parent, Rio Tinto-Zinc, which seems set to report excellent results next month.









Savings offers

UK CONVERTIBLE STOCK 3/3/84

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates⇔	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div♡	Cheap (+) Dear (−)◇ Current
British Land 12pc Cv 2002	9.60	376.50	333.3	80-92	3.2		−5.1	−8 to 1	45.7	66.1	5.1	+10.2
Hanson Tr 9½pc Cv 01-06	81.54	264.00	160.7	85-01	3.7	0.2	−7.2	−8 to −1	168.6	70.2	−34.6	−27.4
Slough Ests 10pc Cv 87-90	5.03	260.50	234.4	78-85	3.9		−10.4	−12 to −4	12.8	9.4	−3.2	+7.1
Slough Ests 8pc Cv 91-94	24.72	121.50	97.5	80.89	6.7	4.7	0.5	−3 to 3	26.8	30.3	2.9	+2.4

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ⇔ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

YOUR SAVINGS AND INVESTMENTS—1

New companies have been rushing into the market thick and fast, says **William Dawkins**

Entrepreneurs enjoy a February feast

IN LINE WITH their big brothers on the main market, USM companies' share prices were knocked sharply downwards by the shockwaves from Wall Street in the first week of February.

Since then, there has been an avalanche of new issues and some fine sets of results have helped to pull the Datastream USM index from its low for the month of 102 to an all-time high of just over 108 by the end of last week. For the month as a whole, it has outperformed the main market by around 5 per cent.

After this recent strength, the USM has more than recovered the ground it lost two years ago when the market was dragged down by the dominance of the then troubled oil sector. Oils then accounted for nearly half of the market's worth. Now they represent only 20 per cent of a USM capitalised at close on £2.5bn, and high-flying electricals have come through to take up another 30 per cent.

Indeed, the hottest performing stocks of the month include high technology companies CML Microsystems, CPU Computers and Micro Focus, the price of which showed gains of between 35 per cent and 95 per cent.

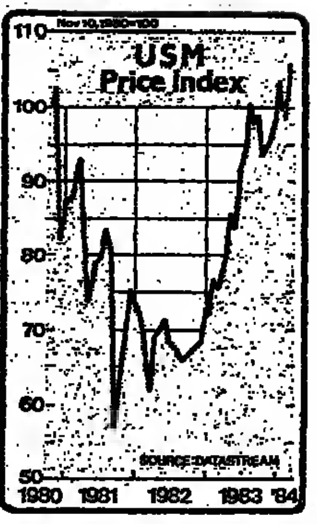
It has been the most active months for new issues for nearly a year. Eleven companies joined the USM in February, more than twice January's level, bringing the total to more than 220.

A series of unsuccesful flotations last autumn had made some USM entrants feel cautions about taking the public plunge until sentiment improved. "Now all that pent-up interest has emerged. The valve has been released," says David Cohen of stockbrokers Simon and Coates.

"We are literally being besieged by propositions from companies wishing to go public," he says. "Meanwhile, the institutions' appetites for new companies of the right quality are almost without reserve. They just can't get enough."

Other USM entrants have been keen to pile in ahead of the forthcoming flotations of Reuters and British Telecom on the full market. They fear these could take the steam out of equities throughout the stock market.

Unlisted Securities Market



After spending most of the winter out in the cold, the offer for sale by tender returned in February and showed signs that it is recuperating after last autumn's disappointments from VW Thermax, Acorn and others.

CML Microsystems, which makes specialised integrated circuit boards, was the first tender to emerge this year. The offer was 20 times oversubscribed at the minimum tender price of 93p, which gave a fully-taxed prospective multiple of 19.8 on forecast profits of £841,000. In the first day, it climbed from the 130p striking price to 188p and now stands at around 230p.

And on the full market, the Our Price chain of record shops announced on Monday, a tender offer of 1.6m shares at 150p, capitalising the company at £9.8m. Pre-tax profits in the year to last May were £870,000 and dealings are expected to being on March 12.

Meanwhile, the number of companies graduating to the upper house is growing vigorously. A monthly record of six companies announced plans for — or completed — the transition, which will bring the total to 23 full listing graduates, and prove that the USM is successfully fulfilling one of the most important tasks its creators set for it.

Will the new issues avalanche roll on unabated in future months? The signs are that the market will want to digest its February feast before welcoming many more companies to the table.

Already, the sheer volume of new companies coming on to the market is proving hard for investors to assimilate. "There are so many of them that nobody knows who they are," says Brian Winterflood of jobbers Bisgood, Bishop, the only firm to make a market in all USM stocks.

One effect of this is that the aftermarket in new stocks becomes increasingly stagnant. Once institutions have taken their customary stakes, the remaining shares can easily drift around in an information vacuum.

A case in point is Unibond, the adhesives manufacturer, which got off to a cracking start on its first day on the USM early this month. Well over half the entire issue changed hands on day one, but business tailed off dramatically thereafter. "Now turnover is minute," says Robin Newman of Rowe and Pitman, Unibond's brokers.

Unibond's share were issued at 105p rose to 116 on the first day, and have slipped back to around 110p, where the company is valued at £6.4m.

That sort of pattern has been well known on the USM for some time. But the risk of it becoming more widespread may be enough to temper the present eagerness of entrants and their sponsors to rush into public life.

"It's unrealistic to assume that the flow of news issues will continue at this rate," says Cohen. "Indeed, it would be unhealthy if it did."

WORLD STOCK MARKETS

Gambling in the gold and curry bazaar

BERNARD SIMON on the excitement of the Johannesburg Stock Exchange

INVESTORS WITH a preference for calm, well-ordered markets may not feel at home in what a foreign visitor once called Johannesburg's "gold and curry bazaar," a reference to the key role of gold and other mining shares on the local Stock Exchange and its proximity to the Indian shopping district west of the city's main downtown area.

Johannesburg's mining group origins linger on in the edifice on Diagonal Street which more resembles a Hyatt Hotel (glass-enclosed lifts, a ten-storey atrium and so on) than an austere financial institution.

Controversies swirl around such issues as insider trading, protection of minority shareholders, suspeosion of share listings and disclosure of corporate information, to name a few which have hit the headlines in recent years.

Nonetheless, for investors with a gambling instinct, the *Johannesborg Stock Exchange* (JSE) offers an exciting ride. The fickleness of gold and other commodity prices has rubbed off on the share market, while bigger swings in the value of the South African rand since exchange controls on foreigners were lifted in February 1983 compound the potential risks.

There was a difference of 69 per cent between the peak and trough of gold mine share prices in 1981, 182 per cent the following year and 61 per cent in 1983. Randfontein Estates, a gold mine west of Johannesburg, is currently trading at a price almost four times higher than in early 1982.

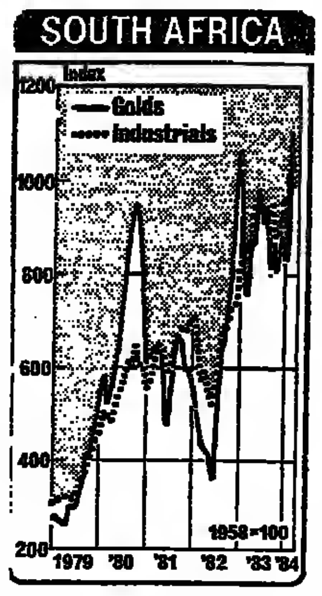
The share price of Consolidated Murchison, an antimony producer and one of the most volatile shares in a volatile market, has more than doubled since mid-1983.

About 625 shares (excluding preferred stock and debentures) with a market value of just over R100bn are listed on the JSE. Only a small proportion of these are generally of interest to foreigners, since the bulk are locally-owned industrial and commercial companies which are small by world standards and make little effort to attract overseas shareholders.

Foreign interest is centred on the mining sector. Some gold mines, such as Blyvooruitzicht, Durban Deep, Bracken and Free State Geduld, are more than 40 per cent owned by foreigners, although treding from Loodon and New York tends to be concentrated on long-life, low-cost mines like Vaal Reefs, Driefontein Consolidated, Kloof and Buffelsfontein.

De Beers Consolidated Mines, the secretive group which controls world trade in diamonds, is another heavily traded stock. Shares of platinum mines and the diversified mining houses like Anglo American and Gencor are also widely held.

SOUTH AFRICA



The USE's attraction to foreigners has dulled since the abolition a year ago of South Africa's investment currency, the financial rand, which allowed investors abroad to buy and sell shares in Johannesburg at a discount to the normal exchange rate, but to receive divideods at the commercial rate.

All transactions now take place at the unitary rate, and the long-term weakness of the rand (due mainly to South Africa's double-digit inflation rate) may discourage investors.

Shares sold by foreigners in the past year have been snapped up by local insurance companies, pension funds and other institutions, increasing their dominance of a market over which they already hold sway.

The value of long-term insurers' equity boldings more than doubled between the end of 1980 and mid-1983 to R5.7bn. From one point of view, the institutions help stabilise the market, but their reluctance to sell sizeable parts of their portfolios (for fear of being unable to buy them back later) distorts trading and frequently makes it difficult to find parcels of popular shares.

Should Pretoria relax exchange controls on the institutions, allowing them to invest some of their cash flows abroad, the USE may take a heavy knock. The insurers and pension funds are initially likely to earmark 5-10 per cent of their equity portfolios for investment abroad.

Not surprisingly, institutions call most of the shots in the stockbroking community. Some brokers reserve their best research papers for institutional clients and fixed brokerage commissions will probably soon be replaced by a sliding scale favouring large orders.

Under the new system, brokerage on transactions below R5,000 will be 1.2 per cent, but will drop to 0.2 per cent on orders above R1.5m. Johannesburg's cosetted stockbrokers are still a long way off from exposing themselves to negotiated brokerage charges.

The influence of the institutions and the unpredictable gold price and rand exchange rate have made the JSE e difficult market to play. Time and again in the past few years, Jeremiahs have been proved wrong. In spite of the weak gold market, South Africa's worst recession in 50 years and record interest rates, the JSE remains remarkably resilient.

Average prices of gold mining shares are only about 11 per cent below their February 1983 records. Barlow Rand, the bluest chip on the industrial board, is little more than 5 per cent off its all-time peak, in spite of recent warnings that the company faces a difficult time this year.

The main London stockbrokers who specialise in South African mining shares include James Capel, Strauss Turnbull, Rowe and Pitman and Williams De Broe.

There are several commodity and gold unit trusts which invest in South Africa and M & G's International Growth fund also has a high exposure of over 20 per cent.

NEXT WEEK: The Australian market.

Easier for creditors

ALISON HOGAN examines plans for a reform which may have come too late for many people

THE GOVERNMENT'S intention to legislate as quickly as possible to reform the UK's rather antiquated insolvency procedures is welcome news to creditors throughout the country.

But it has come late for many people who lent money to companies in good faith only to see the company wound up, and with it, the creditors' chance of recovering their loans.

It will provide little consolation for those who have handed over mooey to an investment management company, only to discover later that it has become mingled with the assets of the company which has then been put into liquidation.

If the active directors disappear, like former commodity investment manager Keith Huot, the new provisions offer no relief, except that it should be easier for creditors to seize any personal assets left behind.

The White Paper on insolvency law reform, published by the Department of Trade and Industry this week, makes no distinction between trading and investment companies. The proposals will apply equally to both.

The position of unsecured creditors is improved, though they will get no additional security as proposed in the Cork Report on insolvency reform which recommended that a 10 per cent fund should be set aside for unsecured creditors.

The main safeguards for creditors will be the tough sanctions to be imposed on irresponsible directors. They should deter directors from either a speedy winding up and disposal of assets before creditors have a chance to intervene or from continuing to trade when insolvent resulting in a further deterioration of the position of creditors.

Mr Alex Fletcber, Minister responsible for consumer affairs, said in introducing the White Paper that directors should recognise that limited liability is a privilege that should not be abused.

To this end, the White Paper introduces the concept of wrongful trading when a company continues to trade after the directors knew or should have known that there was no chance of it meeting its liabilities. In such cases, the directors may be made personally liable for the debts of the company.

Intention to defraud, a criminal act, is much harder to prove in the courts and has probably resulted in many delinquent directors escaping penalty.

In cases of wrongful trading when a director is held personally liable, the chance of creditors having their debts repaid will be improved.

The Governmeot wants to eocourage companies to use voluntary arrangements when possible. It will back up the arrangements by requiring greater information for creditors which will allow them to combine to present a petition when their individual debts are small.

Wheo a company goes into receivership the Government proposes that unsecured creditors would be able to form a committee, and that the receiver should provide the committee with information about the likely outcome of a receivership and about its progress.

The committee of unsecured creditors will be empowered to seek redress from the court if dissatisfied with the information provided by a receiver.

Consumer groups have generally welcomed the proposals though business groups including the CBI aod Institute of Directors are concerned that the Government may have gone too far in its iotroduction of curbs on directors.

YOUR SAVINGS AND INVESTMENTS—2

Clive Wolman meets the unrepentant David Fuller

A chart-gazer explains

David Fuller . . . 'I missed cocoa'

EXILED New Englander David Fuller, who has become unofficial spokesman and leader of Britain's chart analysts, has had a lot of explaining to do over the last year.

Forty-two-year old Fuller and his fraternity of analysts have been losing money in most of the financial markets they seek to cover around the world: commodities, currencies, bonds and precious metals. Even in the rapidly rising equity markets, their performance has been disappointing.

Their intellectual rivals, the analysts of the fundamentals of supply and demand, have long dismissed as hocus pocus the chartists' claim to be able to forecast future price movements by analysing charts of past price changes.

Even if in the past there was a way of making money from such entrail examination, they say, today's markets are far too sophisticated to fit into such simplistic patterns.

But David Fuller is not only unrepentant. He insists that in today's markets the need for chartists, or technical analysts as he prefers to call them, is much greater than ever before.

"My analysis is of the emotions," he explains in his melodious, mid-Atlantic voice which has made him a favourite with lecture audiences. "When markets become more volatile, they become more emotional. There are more people around, who say: 'I am making so much money,' and become euphoric, or 'I am losing so much' and become panicky."

Today's markets, he believes, are becoming more, rather than less, volatile. The problem has been that, over the last two years, at least in the commodity markets, the volatility has mostly been within a narrow range. There have been few of the dramatic rises and falls in prices which characterised the 1970s.

Fuller, who was enticed over to London from a New York stockbroking firm in 1970, both made and lost large sums of money in the booms and slumps of the mid-1970s, as did many chart analysts.

In those days and in these, most of their efforts are directed towards spotting the start of a long and smooth upward or downward trend, piling in—and then unloading their positions as soon as the signs appear that the trend is going into reverse.

But time and time again, over the last two years, a small upward movement in the market has set the alarm bells ringing among a few chartists who have rushed in to buy and pushed up the price, triggering a response from other chartists who push the price up further—and so on, until all the chartists are fully committed.

But because there are no other buyers around on fundamental grounds, the price soon drops back—and all the chartists lose out. Not a large amount, but it soon adds up.

The other players in the market have become wise as to how the chartists work. So they will drive up the price a little to entice the chartists in—but just as the chartists' momentum is exhausting itself, they will get out again at a profit.

But Fuller distances himself from those chart traders whose reactions have been so predictable. "People who do obvious things will often be caught out," he says. "They and their mechanical trading systems have created havoc in the commodity markets over quite a period."

He rejects those systems which place too much emphasis on "identifying rigid patterns." But he continues to pay great attention to patterns of price movements—the reverse head and shoulders, neckline breakouts, saucering tops, cornerback fakes and lonely ends. He expounds the platitudes of the chartists' rule book with zest, his arms moving around graphically. "Price is the only tangible thing.

"It is the final distillation of the rumours of the fundamental reports, of the earnings ratios and forecasts, of all that there is swirling around. Price is a reality—'value' is an abstraction and a theory. The only real value is what people pay."

By now he is into his lecturing rhythm. "You can look at a chart of prices and see the emotional pressure points. We know for example that for gold, $500 is quite an emotional area. The price goes towards it and then keeps bouncing back because people get nervous and decide to sell."

But he says that his method of "behavioural technical analysis" is more sophisticated than pattern identification and relies more on intuitive judgment. "My emphasis is on crowd psychology," he says.

In contrast to some chartists, he is not hostile to the fundamental analysts. He considers the two sorts of analysis to be complementary. After taking a degree in English Literature and psychology and a first job in publishing, he moved to a stockbroker to work as a fundamental analyst.

"What I am most interested in is how people respond to fundamental analysis," he explains. "In a bull market environment, prices will respond rapidly to good news and shrug off bad news. Look how invulnerable the dollar appeared to be to any bad news until a few weeks ago."

Fuller was one of the pioneers of technical analysis in the City and he has gathered around him a band of followers. But has his use of technical analysis made a lot of money for himself and his clients?

"All commodity fund performance has been desultory over the past year," he said. "In a choppy environment, there is no system which is clever enough to perform."

What about cocoa? That was on a nice trend during the autumn shooting up by over 40 per cent.

"I missed cocoa," he admits. "The trend has been a devil to deal with. Although it was going up, you were getting swings of 10 per cent a day on the way."

Perhaps Fuller has been as much a victim of his emotions as anyone else. He now concentrates on analysis and giving advice to others and no longer manages any money himself. He is the chairman of Chart Analysis and deputy chairman of CAL Futures. Next week he is launching a monthly international newsletter called Fullermoney.

As one of his former colleagues says, "as an analyst, he is popular and plausible. Although he is a technician, he has a tremendous grasp of the fundamentals. But as a money manager he gets too emotional and too involved."

Not that all his predictions as an analyst have been sound. But perhaps it is wrong to judge those too harshly. Unlike fundamental analysts, technicians cannot fall back on the phrase, "It's a long-term hold," if their short-term predictions go wrong. The short-term is their business.

His analytical work he describes as a quest for Truth, and not of the conventional sort. "The real frontier of market analysis is not a better econometric model, nor a better break-down of the money supply figures. And we would be fooling ourselves if we had a long academic discussion on the meaning of a chart pattern."

He pauses for effect—and then continues, with feeling.

"The real frontier is in understanding one's emotions and in disciplining oneself. More and more money is being placed in the hands of investment managers.

"Everyone is depending on them; the pressures are so great. And yet they have to prevent their human foibles, vanities and fears from distorting their judgment. This is where technical analysis helps."

Cheques and balances

IF YOU WANT to simplify your banking and ensure you're getting your money's worth without constant scrutiny of statements and juggling of accounts, you should take a look at a service launched this week by the Save and Prosper Group.

Its new Premier High Interest Bank Account (PHIBA) has thrown in a few important extra services to spice up its high-interest chequing account which was launched a year ago.

But it is still paying less attractive interest rates than those offered at present by a few building societies which have linked up with banks to offer a similar range of services.

Of all the high-interest chequing accounts launched over the last 13 months, PHIBA is the first to allow you to write cheques drawn on it for any amount, however small. The others have a slower limit of £200 or £250, in most cases. Save and Prosper is also providing a cheque guarantee card covering amounts up to £75, compared with the £50 limit of the high street banks' cheque cards.

The other major bonus offered by PHIBA is that it will allow you to go into the red automatically up to a ceiling of at least £3,500. If they like the look of your credit assessment form, your ceiling could be much higher.

The rate of interest charged for an overdraft will be only about 3 per cent above the rate paid to you when your account is in the black. This has the edge on the clearing banks' overdraft rates and is much better than their personal loan terms. And for your Save and Prosper overdraft, no security is required.

One apparent drawback is that you have to repay any such overdraft at a rate of 20 per cent per month. But as you can create another overdraft, this amounts to no more than a requirement that relatively large amounts of money should be seen flowing through your account, as a sign of your creditworthiness.

Another feature of the account is the Visa Premier credit card which allows you to continue earning interest on money you have already spent, without any need for frantic transfers. All the payments you make with the card are deducted from your account only at the end of each month. The card also allows you to withdraw cash from any bank linked up with Visa, of which the main ones are Barclays and the Trustee Savings Bank.

The interest you receive on your full balance when your account is in the black by over £1,000 is close to the money market rates and currently stands at 9 per cent on an Annual Percentage Rate basis.

There are no charges on chequing and the only fees you may have to pay are £2 in any month when your balance stands at below £5,000.

In some ways the scheme is closer to Allied Hambro's comprehensive Financial Management Programme which was launched in October than to a conventional high interest bank account. Its charges are much lower than Allied Hambro's—and its entry requirements are less stringent. You need to put in only £1,000 to start and the minimum acceptable annual income is about £15,000.

But unlike the Allied Hambro scheme, PHIBA does not offer large secured overdrafts nor the administration of holdings of shares, unit trusts or other financial assets. It also suffers from a few drawbacks compared with a high street banking account:

- When the banks are closed at weekends or in the evenings, you cannot put your Visa card into an automated teller machine to extract cash.
- Your dealings with Save and Prosper and its parent company Robert Fleming, the merchant bank, have to be conducted through the post to Romford in Essex, or at best over the telephone. You have no personal contact in the system.
- Unlike the Schroder Special Account launched in January, this account does not allow you to offset your overdraft charges against any interest you earn to cut your tax bill. Save and Prosper considers this form of tax avoidance to be vulnerable to attack from the Inland Revenue, even though it will be offsetting its £2 monthly charges against interest.
- The biggest minus of the account is that its rate of interest is often less than that offered by various building societies which are linked to banks. In particular, the Alliance Building Society linked with the Bank of Scotland offers more or less the same range of services, down to a Visa credit card (albeit with fewer services than the Premier card). But its customers start receiving interest when their balances are above only £350—and at a grossed-up rate of 10.4 per cent.

But for a higher-rate taxpayer, these differences in interest are of relatively little consequence because so much of the difference disappears in tax. Thus for a 75 per cent taxpayer, the net interest on the Save and Prosper account is only 2.25 per cent, compared with 1.4 per cent on a clearing bank's deposit account. Yet a scheme like Save and Prosper's is aimed at high-rate taxpayers.

Since the demise of the offshore roll-up funds, the only attractive low-risk investment for such a taxpayer, which can be cashed in without penalty at any time, is a low-coupon or index-linked gilt-edged security.

Perhaps the next stage in the development of all-in-one banking services will be an automatic facility for sweeping up idle funds in a current account and putting them into, not higher interest-paying accounts but into low-coupon gilts.

NEXT WEEK: A look at other money market funds.

Clive Wolman

Taking your pick of the stock-pickers

AS George Bernard Shaw might have put it, "Those that can do; those that can't pick stocks; those that can't pick stocks, pick stock-pickers; and those that can't pick stock-pickers. . . ."

In case you're lost, this article is about the emerging unit trust advisory services, which claim to be able to pick the best performing unit trusts for their clients.

Are they actually worth their management fees—and, more importantly, the 3 per cent commissions they earn every time they decide to switch your money from unit trust to unit trust?

The March issue of Planned Savings, a magazine for professional investment advisers, has just published the investment performance records of the 14 main advisory services.

Planned Savings monitored the portfolios of unit trusts selected by the advisory services over a two-year period—not really long enough to make a fair assessment, but most have sprung up only in the last two or three years. An analysis was carried out for portfolios both of capital growth unit trusts and high income yielding unit trusts.

The results are an embarrassment for most of the services. Over the two years to January, only five of the 14 services managed capital growth portfolios which beat the FT-Actuaries All-Share Index, the widest measure of the performance of the UK stockmarket.

But as the advisers were told to regard the world as their oyster, and as nearly all invested most of their money in overseas unit trusts, the Capital International index of all the major world stock markets is, when adjusted for currency moves, probably a better basis for comparison.

Only two of the services beat the Capital International index. These were Richards Longstaff, the best performers in both years, and Premier Unit Trust Brokers, which has also had a fairly consistent performance.

The performance figures show another statistic which is more disturbing.

Planned Savings also looked at how well the services would have done, if they had left their original portfolio of unit trusts intact and not made any switches, which are expensive for their clients but generate commissions for themselves.

Only five of the managers beat their original portfolios by switching and five did worse. The managers who lost the most money for their clients by switching, 14.3 per cent of original portfolio's final value, was the Bristol service, Hargreaves Lansdown.

The prize for the least assuming portfolio management must go to Capel-Cure Myers' service which made no switches at all during the two years.

C.W.

CAPITAL GROWTH PORTFOLIOS—STARTING VALUE £10,000

	Jan '82-Jan '83 Portfolio value at year end	Jan '82-Jan '83 % gain over year	Jan-'83-Jan '84 Portfolio value at year end	Jan-'83-Jan '84 % gain over year	Jan '82-Jan '84 Original portfolio unchanged
Berry Asset Management	11,272	12.7	15,323	35.9	15,831
Unit Trust Selection Service	11,430	14.3	14,094	23.3	14,094
Colham	9,985	−0.1	14,840	48.6	14,840
Hargreaves Lansdown	11,236	12.4	13,446	19.7	15,683
Hoare Govett LTAs	11,066	10.7	15,315	38.4	13,539
Investment Selection	10,241	2.4	13,942	36.1	14,068
Premier Unit Trust Brokers	13,077	30.8	17,453	33.5	12,128
Richards Longstaff	15,984	59.8	24,231	51.6	14,467
Spry Unit Trust Management	10,533	5.3	13,132	24.7	13,177
Tithebarn Financial Consultants	12,728	27.3	16,779	31.8	12,002
Towerhill Securities	15,102	51.0	14,115	−6.5	14,857
Westavon Investment Consultants	11,340	13.4	13,161	16.1	12,708
Hill Samuel	—	—	*10,856	8.6	12,021
Whitechurch Securities	†12,628	—	11,354	−10.1	‡11,110
FT Actuaries All Share§	11,705	17.0	14,920	27.5	
Capital International World§	12,411	24.1	16,892	36.1	

* Portfolio commenced January 1983.
† Portfolio commenced July 1982, value relates to six months.
‡ Value relates to eighteen months.
§Indices have been adjusted for dealing costs. Capital International index takes account of currency movements. Income has been ignored.

Source: Planned Savings

BUILDING SOCIETY RATES

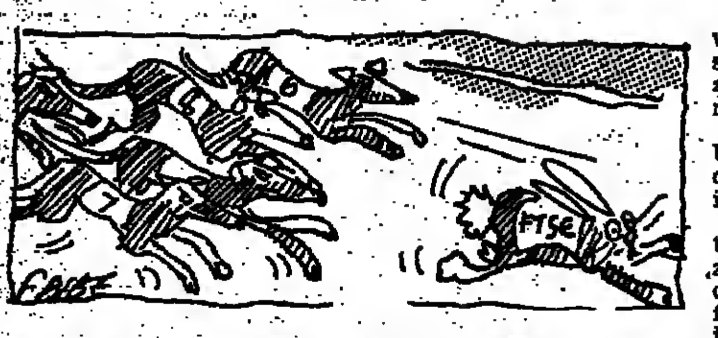
	Share a/cs %	Sub'pn shares %	Others %	
Abbey National	7.25	8.25	8.25	7 days' notice. No interest penalty
			8.75	Higher Interest acc. 90 days' notice or charge
			6.00-7.50	Cheque Save
Aid to Thrift	8.50	—	—	
Alliance	7.25	8.25	8.25	Monthly Income—3 months' notice
			8.50	28 days' notice. Imm. withdwl., 28 days' penalty.
			8.25	7 days' notice. No interest penalty
Anglia	7.25	8.25	8.75	3-year Bond. No notice. 3 months' penalty
			8.50	Capital Share. No notice 1 month's penalty
			8.25	7 days' notice. No interest penalty
Birmingham and Bridgwater	7.25	8.75	8.25	1 mth.'s notice or 30 days' int. pen. £500 min.
			8.60	Guaranteed fixed rate. 12 months. £500 min.
Bradford and Bingley	7.25	8.25	8.50	1 month's notice or on demand
			8.25	7 days' notice
Britannia	7.25	8.25	8.25	7 days' notice. 8.50 3 months' notice
Cardiff	8.00	8.75	—	
	*8.50	—	—	*Share account balance £10,000 and over
Catholic	7.50	8.50	8.50	6-month deposits. Monthly income
Century (Edinburgh)	7.75	—	8.75	Variable. 8.85 Permanent 2/3 years
Chelsea	7.25	8.25	8.75	Immed. withdrawal (int. pen.) or 1 mth.'s not.
Cheltenham and Gloucester	7.25	8.25	8.25	Gold account £1,000 + not notice no penalties. Monthly interest. £5,000 minimum, 8.57 if compounded
Citizens Regency	7.50	9.00	8.40	plus account no penalty. Double option 8.50
City of London (The)	7.50	8.25	9.00	8 months' notice—no penalty
Derbyshire	7.25	8.50	9.00	8.25 1 month's not., 7.75-8.60 3 months' notice
Greenwich	7.25	8.50	8.50	(max.) at 28 days' notice/penalty
Guardian	7.50	—	8.75	3 months, £1,000 minimum
Halifax	7.25	8.25	8.25	Xtra Interest, 7 days' notice, no penalty
			8.50	Xtra Interest PLUS 28 days' notice, no penalty
			8.75	Special Inv. Cert., 3 months' notice/penalty
Heart of England	7.25	8.50	8.25	5-Day Notice Share Account
Hemel Hempstead	7.25	8.50	8.75	3 years. 8.50 28 days
Hendon	8.25	—	8.75	3 months
Lambeth	7.50	8.75	9.10	28 days plus loss of interest, 8.25 3 months
Leamington Spa	7.35	—	8.50	Top Ten. 8.75 Lion Share
Leeds and Holbeck	7.25	9.00	8.75	4 yrs., monthly int. 8.75 1 mth. notice or pen.
Leeds Permanent	7.25	8.25	8.50	Ex. Int. £500 min., 28 days' notice/penalty
Leicester	7.25	8.25	8.25	3 months. 9.02 compound 3 years
London and Grosvenor	7.75	—	8.25	High Yield (1 month)
London Permanent	7.75	—	8.75	1-year term. Imm. wdl. with loss of 1% bonus
Midshires	7.25	8.75	8.75	3-yr. term with 0.5% bonus on mat'y if reinv'td
Mornington	8.50	8.50	—	Immediate withdrawals—no penalty
National Counties	†7.55	8.55	9.10	28 days' notice & loss of interest. † £1,000+
National and Provincial	7.25	8.25	8.50	1 month's notice or immediate and interest loss
Nationwide	7.25	8.25	8.75	Capital Bonds, 3 yrs., £500 min. wdl. with 90 days' loss or notice. Bonus account 8.25, £500 minimum withdwl. with 28 days' loss or notice
Newcastle	7.25	8.50	8.75	4 years, 8.25 28 days' notice, or on demand with penalty, 8.50 90 days' notice, or on demand with penalty
Northern Rock	7.25	8.50	8.25	7-Day Moneyspinner, 7 days' not. wdl. no pen.
			8.75	Premium Moneyspinner on demand, 28 days' loss of interest on amount wdn.
Norwich	7.25	8.50	8.50	City Account, immed. withdls. with no penalty
Paddington	7.75	9.25	8.75	1 mth.'s not., or 1 mth.'s int. loss on sums wdn.
Peckham	8.00	—	8.50	7 days. 9.00 3 months
Portman	7.25	8.75	8.75	Two months' notice, 8.25 no notice
Portsmouth	7.55	9.05	9.40	5 years, 9.00 6 months, 8.50 1 month
Property Owners	7.75	9.00	8.75	28 days, 8.75 3 months, 8.50 monthly income
Scarborough	7.25	8.50	8.25	Money Care and Free Life Insurance
Skipton	7.25	8.50	8.25	£1,000-£4,999 Sovereign, no penalties, no notice
			8.50	£5,000+, no penalties, no notice
Stroud	7.25	8.50	8.85	3 months, 8.35 1 month no penalty with notice
Sussex County	7.25	9.00	8.25	7 days' notice, 8.50 Sx.Sh., 7.50 Sh. a/c £2,500+
Sussex Mutual	7.50	9.00	8.75	1 month's notice/immed. with 28 days' penalty
Thrift	8.15	—	9.15	3-year term. Other accounts available
Town and Country	7.25	8.25	8.75	3 yrs. ½-yrly. int. Monthly income wdl. facility
			8.50	7 days' notice no interest penalty. ½-yearly int.
Wessex	8.50	—	—	
Woolwich	7.25	8.25	8.25	7 days' notice
			8.50	28 days' notice or on demand (interest pen.)
Yorkshire	7.25	8.25	8.50	Diamond Key, 60 days' penalty or 2 months' notice without penalty

All these rates are after basic rate tax liability has been settled on behalf of the investor.

YOUR SAVINGS AND INVESTMENTS—3

Clive Wolman reports on the stock market and the betting shop

A new turn-up for the book



THE SUGGESTION on these pages four weeks ago that a bookmaker may be used as an effective substitute for a unit trust manager has been variously condemned as mischievous, saucy, eccentric or outrageous.

Some investors—not surprisingly—have inhibitions about withdrawing their money from a blue-blooded investment management team in the City of London and taking it round to the local betting shop on the street corner.

In fact your local bookmaker will probably consider you a practical joker if you ask to put money on the stock market index. Only three bookmakers at present offer such a service. Of these, one, the City Index (tel. 01-283 3667) which was set up in January by former Ladbroke employees, last week made a bid for the more serious long-term investor.

It has started taking bets on the new stock market index, the FTSE 100, which can be held open indefinitely. The Ladbroke index has also started taking bets on the FTSE 100.

Previously bookmakers offered bets only on the more narrowly based FT Industrial Ordinary Index of 30 shares. Also, as bets were closed automatically after three to six months, they had to be short-term speculations.

But with City Index, you can arrange in advance for a bet to be rolled over from period to period with no management charge.

If you think you have found a manager of a unit trust investing in UK shares who has sufficient ability to outperform the stock market average, as represented by the FTSE 100 index, then taking a bet is not an attractive alternative.

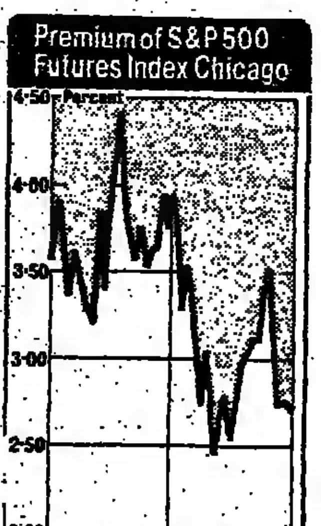
But in the past, the average fund manager has not outperformed the index—and you may think it difficult to find one who will do so in the future.

By contrast, by betting on the index you are guaranteed a capital gain (or loss) in line with movements in the index and you eliminate any risk that your unit trust manager may under-perform.

As little or no capital is required for betting, your money can be invested in a risk-free asset for income, eg, a short-dated gilt.

Whereas, by investing in a unit trust, you will incur on average a 5 per cent entry charge and annual charge of ½ to 1 per cent, the total costs of taking a bet (including betting tax) are only about 0.5 per cent. These costs are reflected in the spread quoted to you. And, in contrast to unit trusts, the profits, at least, from betting are completely tax-free.

These have been some of the main criticisms and queries of readers — together with replies:



* The price of unit trust units may go up or down. But you are unlikely to lose all your money, as you can with a bet.

You must be very careful when calculating the size of your bet. It is essential to appreciate how much risk you are taking. If you intended to invest £10,000 in a UK unit trust when the FTSE index stands at 1,000, for example, then you should take an up-bet of only £10 per point. Then you would lose £10,000 only if the index fell to 0, ie, if all its constituent companies went bankrupt — and then you would also lose your unit trust money.

* Doesn't betting tax of 8 per cent make your proposal too expensive?

No, the men from Customs and Excise have decided that the law allows them to charge 8 per cent tax only on the stake per point. In the example cited above, you pay tax of only 8 per cent of £10, not of £10,000.

* Unit trusts are supervised by the Department of Trade and Industry. But with bets you have no protection.

The Home Office has the power to refuse a licence to a bookmaker, but its supervisory role is very limited. Only last spring, the Futures Index, a Leamington Spa bookmaker which took bets on financial indices, was wound up in a state of insolvency and its owner, a Mr Keith Hunt, has disappeared.

All three financial bookmakers have substantial capital behind them. But this is no absolute guarantee of their ability to pay up.

* You will not be able to match the index because the quote you are given for your bet (or for buying a futures contract) will be above the actual index, e.g. if the index stands at 1,000, you may be quoted 1,050, so that the index will have to rise by 5 per cent before you break even.

At present there is no such premium (which makes taking an up-bet a good deal). But there will be, once trading starts in stock index futures. This speculative contract on the FTSE Index is due to start being traded on May 3. However what you lose by having to catch up, will be more than offset by the extra interest you earn from investing in, say, gilts rather than in an equity unit trust, whose yield will be lower.

Theoretically, the quoted figure for a bet or a futures contract, whose termination date is a year out, should stand at a premium (contango) over the actual index which will equal the difference between the yield from a short dated gilt and the yield from owning all the shares in the index in their correct proportions.

In practice, the premium will often be less than this because of the practical difficulties of arbitrage (see graph).

* *Unit trusts may be risky but you expect to get greater reward for your risks. With a bet, you get no extra reward.*

Not correct—with an up-bet, you stand a slightly better than 50-50 chance of making money in the long term.

The extra risk premium you get for investing in the stock market is reflected in the higher yield you get on the FT All Share index than on an index-linked gilt (see adjacent argument).

Arbitrage should ensure that this "yield gap" is also reflected in a relatively low bet quotation, which you will have a better than 50-50 chance of beating.

A more general question raised by some readers is whether the use of bets and stock index futures will have an adverse effect on the underlying market in shares.

If so, this could mean that UK companies would find their costs of raising capital becoming much higher.

One worry is that turnover in the stock market would decline and with it the marketability of company shares. But evidence from the U.S. suggests that the introduction of secondary contracts on the stock market, in the form of futures and options, has not reduced turnover.

The other adverse effect might be that the pool of money available to invest directly in the stock market would be reduced.

Individual investors, instead of investing money in companies through unit trusts, would merely place bets and park their money in a risk-free asset such as a gilt.

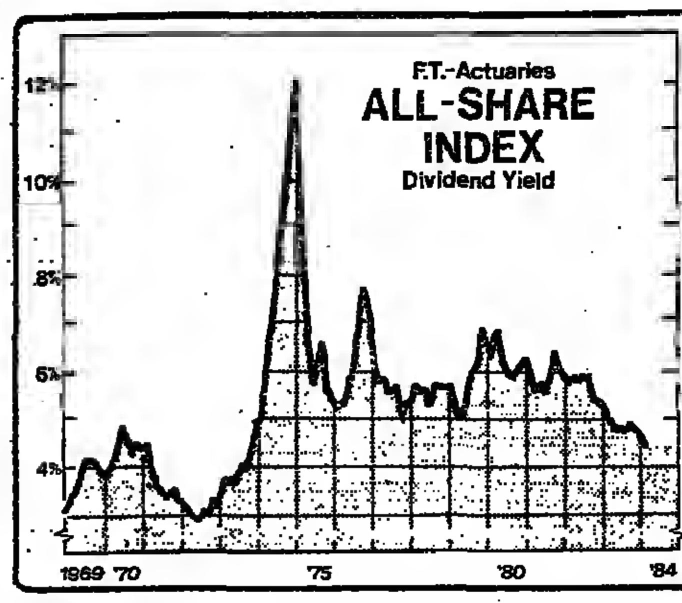
But if this occurred and the price of company shares fell relative to gilts, the professional investors who keep a close watch on such movements would intervene. They would see that there were profits to be made by selling gilts at a high price and buying company shares at a low one.

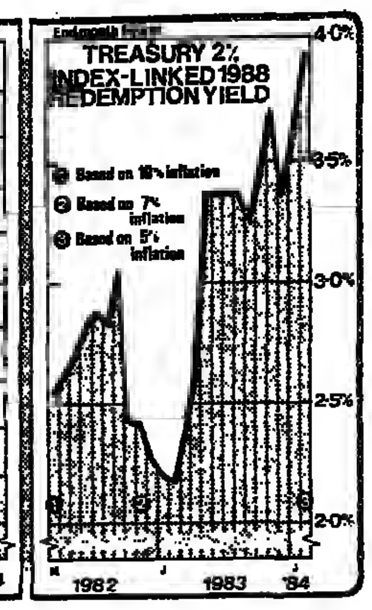
Also your up-bets on the index will often by matched by down-bets taken through your bookmaker by professional investors who wish to hedge their portfolios. So they will be the ones with money in the market. Alternatively the bookmaker may lay off your bet by investing indirectly in the market himself.

The seedy image of the bookmaker and its associations with human frailty and irresponsibility will not suit those who like the idea of taking a stake in British industry. But for those who want to do just as well—or as badly—as the stock market as a whole, the index bet is worth considering.

Looking at the risk premium

TONY JACKSON gives food for thought on equities and inflation





ONE OF the old maxims in investment says that equities are a hedge against inflation. In particular, equity dividends, taken in aggregate, are supposed to maintain their real value more or less unchanged over the long term, regardless of how inflation behaves.

The same is certainly true, of course, of index-linked gilts. But indexed gilts only yield 3 per cent, while the average yield on equities at present is 4½ per cent. If both are hedges against inflation, why the yield difference?

The question is less simple than it looks. In the old days, the answer would have been that although equity dividends might be stable in aggregate, any individual company might cut or pass its dividend, or go out of business altogether: hence the risk premium on equities.

These days, though, relatively few investors are in fact exposed to individual risk of that kind. The institutions, which dominate the market, spread their portfolios so widely that their risk characteristics are broadly similar to those of the market as a whole; and many private investors put themselves in the same position by investing in general unit trusts.

Nevertheless, the risk premium on equities is justified, for two principal reasons. First, the theory that equity dividends are inflation-proof has not worked well in the past.

According to stockbrokers Wood, Mackenzie, dividends have fallen in real terms by an average 1½ per cent per year over the past 20 years; and in some years, of course, the performance has been much worse again.

Second, there is the question of what happens to the capital value of an equity holding, as against its income. If it were true that dividends as a class were inflation-proof, it should logically follow that the FT-All Share Index would maintain its real value over the long term.

Maybe so—but in the meantime, of course, it swings around enormously. What happens if the investor needs to realise his holding in the depths of a bear market?

The gilt-edged market, of course, goes through bull and bear phases as well. But the holder of index-linked gilts knows that there is one point in time—the maturity date—when the redemption value is assured, regardless of what has happened to inflation. There is no such assurance in the equity market.

Given that a risk premium on equities is justified, the present yield on the FT-All Share of 4½ per cent means that the premium is, in historic terms, near a rock-bottom low. This raises the question of whether equities are over-valued. In fact, there are reasons for supposing that they are not.

First, the theory that dividends are inflation-proof is in one sense inexact. Earnings available for distribution by a company may hold their value, but it does not follow that the company will maintain the same pay-out policy.

In times of uncertainty, it may choose to play safe by raising its dividend cover, thereby pushing down the dividend's real value.

The last decade was just such a period. Inflation was not merely high, it was also accelerating, and in an unpredictable way. This had the effect of squeezing profit margins, since companies had difficulty in increasing their prices in line with rising costs.

But it also meant that dividend policy became more cautious. Companies tried to conserve cash in case of emergencies, rather than pay it away in the form of dividends.

In the last four years or so, this has become less of a problem as inflation has abated. If—and this is the crucial assumption—we are now in an era of more stable and predictable prices, the problem should ease further. Companies are not yet convinced of that, which is one good reason why company liquidity has been building up so rapidly in the past 18 months.

If they do come to believe their good fortune, of course, there is another use to which they can put that cash besides paying dividends—namely, capital investment. But making a judgment about investment involves considering the prospects for the economy as a whole, rather than the inflation outlook on its own.

So if inflation does remain fairly stable, the prospects for dividend growth seem to justify the present low level of the risk premium on equities. Bill Bain of Wood, Mackenzie is confident: "There is scope for very sharp real growth in dividends in the near future. . . Beyond that, the outlook for growth over the next decade is better than it has been for the last ten or 20 years." Perhaps, after all, equity dividends are a good inflation hedge—for those who can afford to wait long enough.

PENSIONS

Your right to know

ERIC SHORT looks at new Government proposals on pension rights

THE GOVERNMENT this week took the first steps towards lifting the veil which conceals the provisions being made for the retirement of the nation's employees.

Around 11m people rely on their employer for the bulk of their pension, as they are contracted out of the State earnings-related scheme. It is vital for them to know that their pension schemes are financially solvent and efficiently managed, so that when they come to retirement they will receive the pensions they expect.

Up to now, no Government department has been vetting these schemes to ensure financial solvency even though the assets of pension funds are currently estimated to be well in excess of £100bn.

There is no official check on the contributions paid by employees and/or employers into pension schemes to ensure they are sufficient to pay for the benefits.

There is no official check that those contributions are not dissipated in wild or speculative investments.

There is no check on the expertise and the integrity of the people running or controlling pension schemes.

The absence of official controls comes as a surprise to financial commentators used to the controls of the Companies Acts.

The Government has been looking at this problem for the past four years under the general heading of seeking to improve the security of pension schemes to ensure solvency. This week it published its thoughts in a consultative document.

The Government believes that monitoring nearly 100,000 pension schemes is too formidable a task for a Government department. It far exceeds the number of other financial institutions monitored by various departments, which can be counted in hundreds.

Instead the Government has shifted responsibility to employees and pensioners to monitor their own pension — they are the best watchdogs since they have a vested interest in its financial viability.

The Government proposals concentrate on three aspects to help employees in their watchdog role. First, employers will be required to provide all the necessary information on an employee's pension rights and to make available individual benefit statements. Many employees do not even know what their pension and other benefit entitlements are, and some really do not care.

Secondly, trustees of pension schemes will have to provide annual reports and accounts of the pension scheme and the latest actuarial report, which has to be updated at least every three years.

The report and accounts will show, among other things, the contributions made by employers, any pension increases made over the past five years and details of assets on the lines of unit trust group presentations.

Large investments accounting for 5 per cent or more of the portfolio must be shown, as must loans to, or investments in, the parent company. So too must loans to executives. Overseas investments must be shown separately.

The Government thinks that if this information is provided, then the employe, or his representatives, ascertain will be able sentatives, will be able to decide whether the pension scheme can manage to meet the pension benefits.

But even accepting this dubious premise, how does the employee go about seeking a redress? Pension schemes are set up under a trust and the Government in its proposals considers that trust law is a suitable framework for pension scheme legislation.

The Government has rejected the demands of the Wilson Committee, the TUC, the Occupational Pensions Board and Professor Gower that pensions schemes should be controlled by a comprehensive Pension Act, on the lines of the Companies Act, instead of by trust law.

So if an employee is not satisfied with any aspect of the pension scheme, he will have to approach the trustees of the scheme. The Government proposes to help the employee by names of the trustees to be given in the reports together with addresses at which they can be contacted.

The final resort of the employee or the pensioner is to sue the trustees. Such litigation is quite rare: the most recent case of a pension fund trustee being sued was successful action by a retired London milkman against the trustees of the London Co-operative pension scheme.

The Government has ignored the demands of the Occupational Pension Board for a simpler, inexpensive means of complaint and redress against trustees.

For many employees these proposals add nothing to the present system. They already receive individual benefit statements once a year, together with annual reports of the financial position of the fund with access to the full accounts. They already have access to the trustees.

And for the majority of employees, pensions are of little interest until the employee changes job or retires. These proposals are likely to be met by the same apathy.

But for those who do feel strongly, the Government is seeking views on its proposals by May 31 and copies of the consultative document on greater security of the rights and expectations of members of occupational pension schemes are available free from DHSS, Room 419, Friars House, 157-168 Blackfriars Road, London SE1

PROPERTY

Thatch steals the show

BY JUNE FIELD

THE showhouse with the greatest appeal at the Ideal Home Exhibition which opens in London's Earl's Court on Wednesday until April 1, will undoubtedly be the thatched cottage.

It has all the right ingredients of the traditional, some would say conventional, British dream home—half-timbering on mellow bricks, dormer windows, roses round the porch and that cosy hat of thatch. (The roses are silk because real ones would wilt in the heat of the show, but there is nothing make-believe about the thatch.)

This week I watched Robert West and his team from the Thatching Advisory Service put the finishing touch to a roof which has taken 2,000 bundles of Norfolk reed to complete. (To get it finished in time, eight men have worked for 17 days on a job that would normally take a man and his mate 10 weeks).

The house (with four bedrooms and two bathrooms, it is rather more than a cottage), has been built by A.S.P.P. (Architectural Services Planning Partnership), their 14th at the Ideal Home. Managing director John Bailey, while conceding that a thatched home is unlikely to be suitable for infill sites, is anticipating a good demand in rural areas, particularly where planning authorities prefer traditional design.

He is convinced that it is going to be a winner, particularly for nostalgic ex-patriates coming back to Britain who want modern comforts combined with old world charm. "The idea of being able to build a new house in the old-style is not new. What is unusual is to have it thatched, and filled with the latest energy conservation ideas and the most up-to-date technology."


Thatched cottage by ASPP at the Ideal Home Exhibition which opens on Wednesday in London's Earl's Court until April 1.

The latter comes to light in the home office, set up so that company executives can keep in constant touch with their offices. Equipment includes computers, a copying machine and an electronic mail terminal from BCD Telemail.

You can buy the plans and full working drawings of the house for £200 (for conventional construction), £50 for the timberframe version. Without the cost of the land, the house could cost approximately £50,000 to build traditionally, about 10 per cent less for timberframe with a brick cladding.

"The saving gets better as the house gets bigger," says John Bailey, who has been building timberframe since 1968, and is firmly of the opinion that this is the major method of construction for the future.

The £50,000 includes an average quality roof of concrete or clay tiles, but hand-made clay tiles adds another £1,000; for a thatch roof it would be about £3,000 extra.

Thatch enquiries should go to Robert West, Thatching Advisory Service, Rose Tree Farm, 29 Nine Mile Ride, Finchampstead, Berkshire. John Bailey, ASPP, 45 Station Road, Redhill, Surrey, can supply the plans of the cottage; also available is a Book of House Plans, and a Book of Bungalow Plans for £6 each including postage. These contain 200 different schemes which are a useful source of design ideas generally for those wanting a custom-built home.

The Barratt complex of three smart apartments of larger size than previously (they have responded to recent criticism at lack of square footage, particularly in their one bedroom and studio units), is grouped around a glassed-in patio.

There are palms from Elche in Spain, parotis, an evergreen originating in South America, shipped over from Holland via Florida, and a giant yacca tree from Jamaica.

The one or two-person studio, now called Tempo, is 341 sq ft, as against the original Studio Solo which was only 270 sq ft. And the new version for a single person or a couple, Accord, is 426 sq ft. Another difference is that although carpets and kitchen equipment are still included, the studios do not now always come fully furnished. This should help alleviate some of the problems of re-selling that are being experienced over various builders' "singles" units.

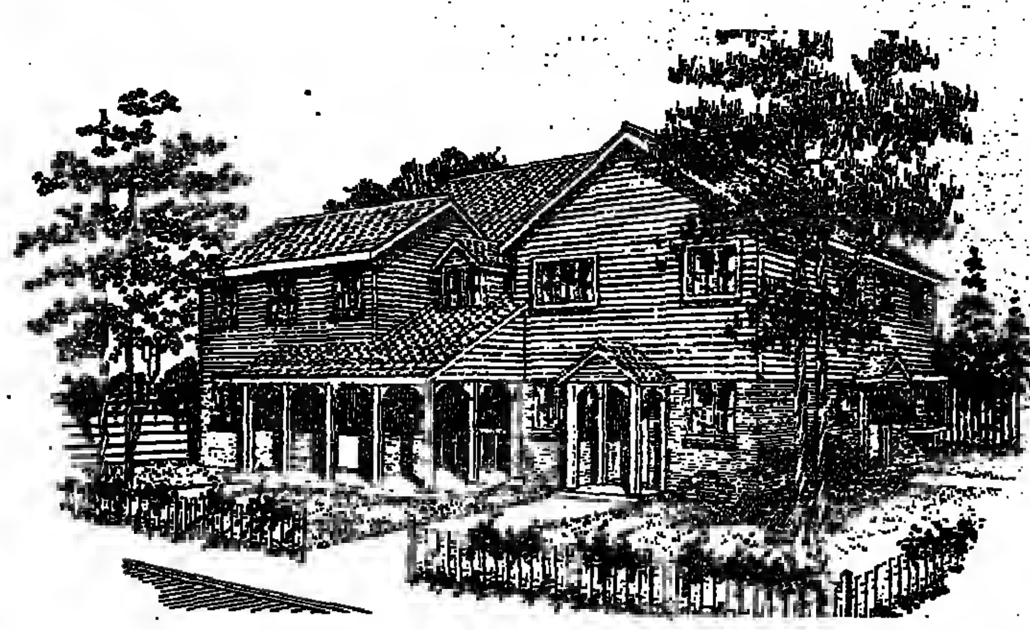
The low value of second hand furniture is a frequent cause of complaint. To which I would add that a builder's salesman should make it abundantly clear to first-time buyers right from the start that they should not expect to get much back for well-used equipment.

The most enterprising new Barratt unit is Harmony, which follows Barratt's American marketing brief, to provide accommodation for two independent people. Each can have their own completely private bedroom, bathroom and dressing area, located at different ends of the apartment. But the living room, and kitchen, and of course, the mortgage, is shared.

Margaret Byrne, recent graduate of the Glasgow School of Art, now with the House of Fraser, has cleverly integrated the show apartment to cater for two different tastes. "I have imagined it being shared by two girl-friends. One is a 22-year-old architecture student with a love of strong primary colours. Her co-owner, a student of dance and drama, 24, has a more subtle colour preference."

Both can appreciate the contemporary-styled main room, with its dashing cream, black and bright scarlet decor. The cost of a Harmony suite is expected to be around £29,000. For an explanatory leaflet "Welcome to the Suite Life," contact Mike Norton, group marketing director, Barratt Developments, Wingrove House, Ponteland Road, Newcastle NE5 3DP.

There is a computer system to make life easy for the budget-conscious in one of the four Wimpey houses. Thorn EMI Mainshorne Telecontrol monitors gas and electricity consumption, and helps you work out the right tariff for the most economical use.


Wimpey four-house complex at the Ideal Home Exhibition in London's Earl's Court which opens on Wednesday until April 1.


Black, cream and bright red is the colour scheme for the living room of Barratt's new 2 bedroom, 2 bathroom "Harmony" apartment for two independent young people being launched at the Ideal Home Exhibition on Wednesday. Outside London it should cost around £29,000. Details Mike Norton, Barratt Developments, Wingrove House, Ponteland Road, Newcastle upon Tyne NE5 3DP.

Wimpey remains fully committed to house-purchase incentives, too, adding the offer of contents insurance up to the value of £7,500 for a year.

A games room complete with snooker table and computerised chess is a feature of Potton's cottage-style home which is also equipped to receive satellite television. The four bedroom, two bathroom home can be bought in kit form (structural shell and interior joinery), for just under £10,000, and it would cost about £35,000 to build plus the price of the plot. For information pack with technical specifications, send £2.50 to the Managing Director, Potton Timber Engineering, Great Gransden, near Sandy, Beds.

New on the exhibition showhouse scene is one of the range of homes which the Abbey National Building Society ar[e] building through its Abbey Housing Association in London's Dockland, Milton Keynes and Liverpool: all are to be sold at cost.

Plus points of the Abbey homes are their adaptability to the requirements of a growing family. This means being able to utilise the roof space without too much upheaval, and extending outside with minimum structural disturbance.

"Internally," explains Paul [W]inner of the operational [...]e, "the idea is to provide [...] the changing needs of today. [R]ooms have to be multi-purpose now, to successfully incorporate leisure, social and work use, as well as supplying privacy when it is needed."

EDUCATION

Alan Cane on some of the less useful aspects of computer software

Junk programs

EDUCATIONAL computer software has joined detergents which wash whitest and meat extracts which gives meals people-appeal in the list of products marketed by nagging away at parental guilt.

"Your parents did their best for you. Will your chilren be able to say the same?" screams the headline in (of all places) Good Housekeeping magazine, over a 1930s-ish drawing of a Good Father explaining simple addition: "I've got two oranges in my left hand and one in my right. . ."

Alongside this piece of nostalgia, a Good Mother of today watches while her children learn to tell the time using their home computer.

The message comes over with all the subtlety of an encyclopaedia salesman's knock: "You may have provided your child with a home computer but it is NOT ENOUGH. For the best start in life your child needs *Educational Software*."

Everybody's doing it. Magazines like Good Housekeeping, daily newspapers like the Miror, conventional publishers like John Wiley and Sons, Heinemann as well as the myriad of tiny computer software companies which have sprung up in the past few years.

So if you haven't yet introduced your children to the pleasures of micro-learning, should you justifiably feel stricken with remorse?

Fortunately, the answer seems to be no. As Mr Michael Roberts of Fiddler's Elbow in Gloucestershire, wrote to a leading microcomputer magazine this month: "After three months of watching my son and daughter stare fixedly at a television screen playing with a mixture of ant-like creations, spiders and mazes I have to bemoan the apparent lack of decent educational packages."

The National Union of Teachers agrees. Its attitude can be summed up bluntly: "Most educational software [is] junk. It is unreliable and r[...]by."

Evaluating softw[are] has proved especially difficult, the NUT complains, with no reference points from which to work. So what hope is there for the poor parent of selecting between the good, the bad and the indifferent?

Not a lot. The problem is that domestic computers, remarkable machines though they are, are neither fast enough nor have enough memory capacity to run truly educational programs as opposed to programs which merely replace pencil and paper with the television screen.

This kind of program simply uses the novelty value of the computer with its brightly coloured screen and sophisticated noise effects as the educational incentive.

And, sure enough, young children can get great satisfaction from managing to match letters of the alphabet generated by Mr T's Letter Factory (one of *Good Housekeeping's*; £12.95 in a brightly coloured box with parent's booklet) and watching Mr T drive off in his letter lorry—for the first few times anyway.

There is value in a program of this kind but its chief benefit is in persuading five- or six-year-olds that they can manage a computer as well as their older brothers and sisters—even if they can't ring up the same scores on "Pacman" or "Space Invaders."

This computer awareness is the principal aim of the schools microcomputer programme, to which some £13m has been committed in England and Wales.

The NUT agrees that children exposed to computers at home before starting school are more comfortable more quickly with the school's computer-based lessons: only common-sense, of course, but a good reason for having a machine at home.

But all of this is some way from adding two oranges to three to make five. Some of the better software makes use of computer games techniques to create and maintain interest. Snlis Software, for example, distributed by John Wiley provides a mixture of questions and games of skill in its history package "Time Traveller."

Ingenious certainly, but the hard fact remains that the games, a reward for answering the questions correctly, are not a patch on the real thing—and children are aware of this.

There is a clear need for some kind of central agency to evaluate and classify this kind of software for schools use—at present each local authority goes its own way—and parents could also benefit from such guidance. The problem remains: who is to take the lead?

LEISURE

Favourites among the 'druthers'

TRAVEL
ARTHUR SANDLES

ONE OF THE more useful trans-Atlantic words which has yet to take root in the British Isles is "druthers." On first hearing it sounds rather like som horse riding outer garment. "I never go out on the range without my druthers." But it means nothing of the sort. "If you had your druthers . . . ." they ask. It is derived from the sighing expression "I'd rather be . . . ." (I'druther be).

Well, it seems the main British druther is to be an artist who watches birds. As UK holidaymakers turn away from the beaches and the fleshpots they are rushing to the weekend and summer schools that seem to be sprouting throughout the nation to develop their artistic and ornithological talents. Natural history, ornithology and painting romp away as favourite subjects for leisure education. Weaving, dancing and photography do quite well, but tarot, anthropology, goldpanning and astrology, while all available, have a long way to climb before they top the charts.

These holidays, if such they are, come in all degrees of mental and physical involvement. If you are not tempted by a week learning to meditate in Torquay, or taking the first plunge into Buddhist philosophy in Cumbria, then how about one of at least 13 residential courses available up and down the country. Yoga alternatively you can flex your muscles learning to lay bricks in Plymouth, ring bells in Ripon, or try squash in Hove.

The growth in activity holiday and weekends stems from a collision of demand and commercial necessity. As leisure time has expanded so consumers have grown bored with just sitting on beach or hilltop for a holiday.

Names like the Earnley Concourse and Millfield Educational Village have long carved a particular spot in the business.

Earnley, which is near Chichester in West Sussex, has a remarkable range of activities year round. Over the next few weeks alone include Oriental Rugs (Repair and Care), Spanish, and Introduction to Opera, 18th Century Silver and Old Sheffield Plate, Watercolour Painting and the writing of historical novels.

The resident rate is £100.80 for four days in a room with private bathroom (twin, a single is £107.25p) in the winter season. This includes tuition and meals, but not VAT.

Millfield is, of course, based on Millfield School and although the emphasis tends to be on young people large numbers of adults attend the holiday courses which are run between July 23 and August 17. The courses tend to be run on a school curriculum basis so that it is usual to take two in the same period—computers in the morning, golf in the afternoon.

The computer courses have proved extremely popular with adults, although popular may be the wrong word. Parents are increasingly worried that they need to know a little about these new fangled machines that the kids are playing with at school all day.

There are different charges for various courses. You would pay £33 for a four morning, one afternoon, course in public speaking, for example, and the residential rate for that one course would be £83. If you take two courses the residential rate is cut to £67. Morning and afternoon courses are normally a requirement for residence, but a one-course visit is allowable if the person concerned is part of a family.

Millfield and Earnley are, however, at the hard end of the business. Most of the hotel groups operating in the field have a more sybaritic approach to leisure learning.

High tech instruction (between sport and creative subjects) at a Dolphin summer camp

Ladbroke, for example, has had considerable success with its racing weekends, when visitors meet the jockeys trainers and, which seems to be the most popular of all, the horses.

One of the most comprehensive of lists is that produced by Embassy Hotels, which has weekends on everything from photography to historic houses, fine china to famous people. The fees are between £60 and £70 normally (somewhat more at holiday weekends) and include two nights acommodation and all meals as well as lectures and guided tours. Most visitors take things seriously, so do not expect a short chat and a quick dive for the bar. "It is advisable to bring waterproof clothing and strong footwear for all weekends except music and opera," says Embassy.

Walking, riding and even cycling are increasingly a feature of activity offerings, all at differing standards of ability and fitness. For those who wish to abandon their car keys, but not take to Shanks' pony, Raleigh Manor, which is within the Exmoor National Park, even offers Exmoor excursion holidays with mini-bus tours and packed lunches that include wine.

Further information: Britain's Regional Tourist offices all publish details of activity holidays in their areas. The English Tourist Board, 4 Grosvenor Gardens, London SW1A 1NF, the Scottish Tourist Board, 23 Ravelston Terrace, Edinburgh EH4 3EU, and Welsh Tourist Board, 3 Castle Street, Cardiff CF1 2RE and the Northern Ireland Tourist Board, River House, 48 High Street, Belfast BT1 2DS will provide national information.

The Earnley Concourse address is Nr. Chichester, Sussex PO20 7JL. Millfield's details can be had from Millfield Village of Education, Street, Somerset. A leisure learning brochure has been produced by Embassy Hotels, Station Street, Burton-upon-Trent, Staffs DE14 1BZ. Galleon World Travel Association organises painting holidays throughout the country, 52 High Street, Sevenoaks, Kent. Caledonian Wildlife, 30 Culduthel Road, Inverness, offers many guided wildlife and ornithology holidays.

Geneva plays it safe

When I drove the Nissan Prairie multi-purpose vehicle last autumn, I reckoned it was one of the most sensible cars money could buy. Clearly, Ford thinks so, too, because its Ghia subsidiary has evolved a space-efficient, seven-seat concept vehicle for the 1990s that looks like a Prairie with a prettier face. The Ghia APV (for all purpose vehicle) made its debut at Geneva this week, complete with sliding passenger door. 1.6 litre experimental petrol engine (with a diesel alternative) and flush window glass. It is the same size as an Escort though the driver sits nearly 8 ins higher for a good view of the road and over hedgerows.

MOTORING
STUART MARSHALL

NEW MODELS are few and far between at the 1984 Geneva show, which opened on Thursday. Among high volume manufacturers, only Renault has chosen this major international exhibition as launch-pad for an important new car —the 25.

After the torrent of new models last year, culminating in the Frankfurt Show, their dearth at Geneva is not surprising. Even so, the show is full of interest.

Ferrari has unveiled a Bi-Turbo GTO coupe. Alfa Romeo, whose 33 hatchback has already been produced with four-wheel drive, has followed with a 4x4 type 33 estate car. This is a potential downmarket rival for Volkswagen's Passat Tetra 4x4 estate. There are no plans at present to bring the Alfa 33 estate to Britain, whereas the luxuriously appointed Tetra is due to arrive within a few months.

Austin-Rover's V6 rear-engined 4x4 rally car, evolved from the Metro, is attracting attention. So is the Mitsubishi Starion 4wd rally, a 350 horse power turbo-charged world championship event contender making its debut at Geneva.

Two hundred are to be built between now and October, when they will go on sale from Mitsubishi dealers. The price in Britain will, it is thought, be over £30,000.

SEAT of Spain was expected to unveil a new car but instead announced a pair of 4-cylinder engines developed on its behalf by Porsche. They are arguably Europe's most advanced engines for family-type cars, with high power outputs, low fuel consumption, light in weight and easy to manufacture. SEAT has come a long way since it was merely an assembler of Fiat. It looks like becoming a major force in the European car industry, and a feared competitor for existing makers.

The Swiss market is one of the world's most competitive. It takes about 300,000 cars a year. Britain was once a major supplier, but our presence is now marginal, with 1 per cent penetration. Rover, with about 1,000 registrations, is the leading British brand. Rolls-Royce, alone among British makes, increased its Swiss sales last year.

More than four Swiss buyers in 10 go for German cars, especially Opel, VW and Ford. Audi, showing a 25 per cent increase in registrations, is clearly impressing the Swiss motoring public with its all-wheel drive and other high technology cars.

The Japanese, with a 27 per cent share of the Swiss market, had pushed France into a poor third place. Their ingenuity is dazzling. A number of Japanese exhibits from Geneva will reach Britain soon. Among them are the three new Honda Civics with 12-valve engines, the tall but mini-sized City Car, a new Mitsubishi Colt Mirage hatchback, and a turbocharged version of the Daihatsu Charade.

Renault's new big car, the 25, made its bow at Geneva International Motor Show this week. It replaces the barrel-shaped 20 and 30 models which had never really lived up to Renault's expectations. The 25 promises to do much better. Whether it will tempt many BMW or Mercedes owners to change is open to doubt. But it should offer strong competition to cars like the Ford Granada, Audi 100, Opel Rekord (Vauxhall Carlton), Peugeot 505 and Citroen CX.

The 25 comes with just one body style—a lean, aerodynamic four-door saloon with a lifting tail. This isn't quite a hatchback but more a boot lid incorporating a cavernous back window. The sill is as high as it is in a normal saloon and the boot is cavernous.

There is a choice of four engines—2.0 and 2.2 litre petrol, a 2.6 petrol injection V6 and 2 litre diesel, with or without turbocharger. Five speed manual transmission is standard, a 3-speed automatic optional. Trying one of the mid-range models, a manual 2.2 litre GRX, I was impressed by its long-striding performance on the autoroute. Top speed is a shade over 120 mph and at 100 mph, the 25 was so quiet the superb stereo (operated by a satellite within fingertip reach of the steering wheel) could be enjoyed.

Unlike traditional Renaults, the 25 has firm, not squashy, seats and the suspension is more in tune with German tastes. It corners well with minimal roll, handles with precision but still manages to take the sting out of badly broken road surfces. Heating and ventilation controls are, ingeniously yet practically, let into the fascia as though into a desk top. The steering wheel is adjustable for height and the gearshift is pleasant, even if it has a rather long movement.

Full electronic instrumentation will be available but the car I drove had conventional dials and a rather adenoidal voice synthesiser to remind me when I left the lights on. A most useful read out indicated the tank contents in litres and the number of kilometres I could drive before refuelling.

The new car does not reach Britain until early June when four of the eight models now on sale in France will be available. These are the 25TS and GTS, with two-litre engines and equipment levels; the 25GTX that I drove and the 25 V6 injection, with top of the line trim. Initially, none of the diesels will come in Britain. Prices are not known but a span between £8,000 and £13,000 seems likely.

When tried methods remain the best

FISHING
JOHN CHERRINGTON

I HAVE always used a fixed spool reel when spinning for salmon. It is a simple tool, and very easy to learn to use. In fact, it is criticised by the experts as being too easy and not giving the fish a chance, which is utter nonsense.

Small boys usually have one in their first rod kit and for most of them its the type that lasts them through their lives.

But superior types in the salmon fishing world use what is called a 'multiplier,' a complicated device developed I believe in Norway. I have never owned one although I have tried them and even landed fish with them. But I have mastered the art of casting with one.

This all depends on the tension of the brake, the position of the level wind gadget and several other things all at once. Too much for me at my time of life. They are also very expensive compared with the fixed spool reels I use.

I must admit though that among my superiors, I used to become rather apologetic sometimes when I saw their beautiful tackle, but I was not sensitive enough to be induced to buy something I did not understand and which would probably get the line in a tangle at the crucial moment.

But now I worry no more. I have just been reading the best book on salmon fishing that has come my way Salmon by Arthur Oglesby, and he is a man after my own heart. Although a famous fisherman with more than 1,000 fish to his credit and a fishing instructor to boot, he does not scorn the fixed spool reel as either being plebian or unpractical. In fact he claims it is the most versatile reel for all conditions. If you can only have one reel, have one of them.

But I would beg leave to take issue with him on the subject of spinning. He describes in great detail the need for varying the weight of the bait according to the depth of water, its colour and speed of current. The whole weight must be in the bait itself, probably a metal minnow or with lead wire wound round the mount. I learnt this myself on the Scottish Dee.

But on the Wye I found it to be a recipe for hooking the bottom, times without number. Eventually I took to using wooden Devon minnows without the metal sleeve and fixed the lead about 2 ft from it.

This meant that I could search the bottom with the minnow about 2 or 3 in above the rocks and snags while the lead hopped over the bottom. The lead will occasionally snag but can be released much more easily than the hook. I took three salmon last year by this method which was just under the average catch of each rod on the beat.

This is one of the few fishing books that I have read which really do tell you how to achieve the techniques of casting flies or baits in terms that the veriest simpleton, myself, can understand. And how to equip oneself as well. I cannot wait to try out the Spey cast if I ever go after the salmon again.

I do try out a variant of it when trout fishing with a bank or trees behind me. I must I fear have the wrong type of rod.

He is depressingly frank about the difficulties of getting good salmon fishing these days what with the depredations of disease, of the commercial interests, pollution and so on. He counsels buying a stretch and getting to know it and being able to go to the river at any time conditions are right. Few of us can do this. To rent a rod on a good estate is recommended and of course to see that it is at the right time of year. This rod should be held for at least 10 years and in that time there could be two good years, two moderate and the rest would be useless.

The last thing to undertake is chopping and changing between a variety of beats never getting to know one intimately so that it can be successfully fished on the very occasional day when the fish are going mad to take the fly.

Having stuck to the Wye for some 10 years and a Scottish river for 20 I am going to be like a butterfly for the rest of my salmon fishing life. Tasting a variety of rivers where the opportunity occurs, hoping against all reason to prove Mr Oglesby wrong. It's a thoroughly good read.

Salmon by Arthur Oglesby (Queen Anne Press) £14.95.

BRIDGE
E. P. C. COTTER

AS JURY FOREMAN at the Old Bailey, I was listening to the evidence of the only witness for the prosecution, when he faltered — he could not say whether the defendant was in mufti or in uniform on the day in question.

This same inattention to detail can be fatal at the bridge table, by causing the declarer to make a faulty diagnosis of the whole hand. The following deal will illustrate what I mean:

N
♠ J 10 9
♥ 8 7 3
♦ Q 7 6
♣ A 10 6 3

W
♠ 8 4 2
♥ J 10 6 5
♦ K 3
♣ K Q J 7

E
♠ 6 3
♥ 9 2
♦ A J 10 9 4
♣ 9 8 5 2

S
♠ A K Q 7 5
♥ A K Q 4
♦ 8 5 2
♣ 4

With both sides vulnerable, South dealt and bid one spade, North replied with one no trump, South rebid three hearts, North gave preference with three spades, and South said four spades.

West led the club King, which was won on the table. The declarer, a first class performer, saw at once the method of play that was called for. It is, in fact, a kind of safety play with which any serious student of the game is familiar. South cashed Knave and ten of trumps and followed with his three top hearts. If the suit breaks 3—3, the last trump is drawn, and the contract is delivered.

The hearts, as you can see, did not break, but since the defender with the four hearts also held the odd trump, the heart honours got by without being ruffed, and there was still a trump left on the table to cater for the fourth heart. This is the type of hand that not only the average player, but the reasonably good performer misplays through sheer ignorance of the correct method.

Now, with your permission, I shall make a few changes to the hand:

N
♠ J 10 9
♥ K 7 3
♦ Q 7 6
♣ A 10 6 3

W
♠ 4 2
♥ J 10 6 5
♦ K 3
♣ K Q J 7 2

E
♠ 8 6 3
♥ 9 2
♦ A J 10 9 4
♣ 9 8 5

S
♠ A K Q 7 5
♥ A Q 8 4
♦ 8 5 2
♣ 4

This time, after a different bidding sequence, South again plays in four spades. We put our earnest student, to whom we have explained the first hand in the South seat, and see what he does. He glances at the hand, thinks he recognises an old friend, and adopts the same method of play, drawing two rounds of trumps, and playing three hearts. Unfortunately, East ruffs the third heart, and the contract is defeated.

Bad luck? No, faulty diagnosis. The presence of the heart King in dummy changes the whole picture. Now the safety play, which is, paradoxically, a hazardous procedure at the best of times, is no longer the right line of play. Instead we decide to operate a dummy reversal. At the second trick we ruff a club with an honour, cross to dummy with a low trump, ruff another club high, and cross once more to the table with a trump to ruff the last club. We enter dummy again via the heart King, draw the last trump, and claim our contract.

I am running a bridge weekend in East Anglia from Friday, March 30 to Sunday, April 1. There will be lectures and tournaments. The Congress is licensed by the EBU and master points and prizes will be awarded. For details and entries apply to Gunton Hall Holiday and Country Club, Pleasurewood Hill, Lowestoft, Suffolk.

CHESS
LEONARD BARDEN

ONE OF the most competitive events on the British chess calendar is the annual ARC Young Masters weekend invitation. Staged at Westergate, near Chichester and sponsored by local company Amey Roadstone, the ARC brings together world ranked grandmasters, ambitious IMs, talented juniors, the best women players, and a sprinkling of overseas visitors. A clash of generations is at the heart of the event but it takes place on an encapsulated time scale: this week Bill Hartston, the BBC chess commentator was among the veterans at 36, while the 12-year-old Cornwall champion Michael Adams was the youngest entrant.

The ARC has its own traditional pattern: youth often does well early on, but at the end experience is on top. With one game to go, ARC 1984 looked set for a "normal" result as Tony Miles led John Nunn by *half a point, the* British No 1 ahead of the British No 2.

The final round brought a real upset in what the winner called "the game of my life." Paul Littlewood, the 1981 British champion, is a skilled and original player, though not reckoned in the same league as super-GM Miles. He is a gilts salesman with Phillips and Drew and plays No 1 for the Stock Exchange team which strength reflects the influence of his own firm, along with Grieveson Grant, as chess sponsors.

For Miles to lose with the white pieces when the money is down is a rare sight. But here he is decisively outplayed, and Black's whole games makes a pleasing logical impression. Results of the ARC Masters were Littlewood, Flear and Speelman 5 out of 6; Berg, Martin, Miles, Nunn and Plaskett 4½.

White: A. J. Miles. Black: P. E. Littlewood.

English Opening (ARC 1984). The opening moves were 1 P-QB4,P-K4; 2 N-QB3,N-KB3; 3 3N-B3,N-B3, 4 P-Q3,P-Q3; 5 P-KN3,P-KN3; 6 B-N2,B-N2; 7 0-0,0-0; 8 R-N1,P-QR4; 9 P-QR3,R-K1; 10 BN5? P-R3; 11 BxN,QxB; 12 P-QN4,PxP; 13 PxP,Q-Q1; 14 P-N5,N-K2; 15 Q-N3,B-K3; 16 N-Q2,R-N1, 17 R-R1,P-QB3.

White's unusual exchange of dark-squared bishop for a knight is designed to support his main plan—attack down the queen's side files—with light square pressure in the centre. The implicit but mistaken assumption is that Black cannot create enough counterplay with his bishop pair. Miles's next exposes his rook to a later attack; superior is Q-N4 followed by N-N3-B5.

18 R-R7? P-Q4
19 R-QB1 P-R4!

Black sets up threats to the white king and frees a better diagonal for his bishop.

20 Q-R2 P-R5
21 QNPxP NPxP
22 N-B3 P-R6!
23 B-R1 N-B4

Stops White's planned N-N5, so Miles has to retreat and wait events.

24 N-Q2 B-R3
25 R-Q1 N-K6!

The classical sacrifice for such positions, but unusual here in that the object is neither mate nor material gain. Instead White is driven into passive defence.

26 PxN BxP ch
27 K-B1 Q-B3 ch

For if 28 N-B3 BxR 29 QxB P-K5 wins.

28 B-B3 B-Q5!
29 R-R3 BxN
30 RxB P-K5

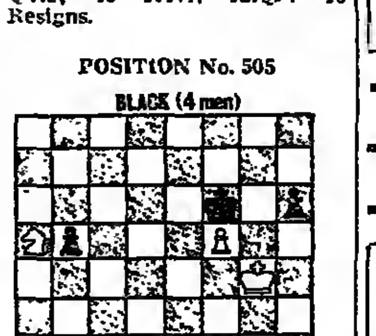
Now 31 R-R3 is White's last chance for active play.

31 Q-B2? PxB
32 NxP P-Q5
33 R-R3 B-N5
34 R-R2 R-K6

Now Black's pressure is overwhelming. The game ended 35 K-N1, QR-K1; 36 R-KB1, BxN; 37 PxB, RxBP; 38 Q-Q1, R(1)-K6; 39 R(2)-KB2, RxR; 40 RxR, Q-K3; 41 K-B1, P-QB4; 42 Q-Q2, Q-N3; 43 Q-Q1, Q-N5! 44 R-Q2, Q-N2; 45 K-N1, RxQP! 46 Resigns.

POSITION No. 505

BLACK (4 men)



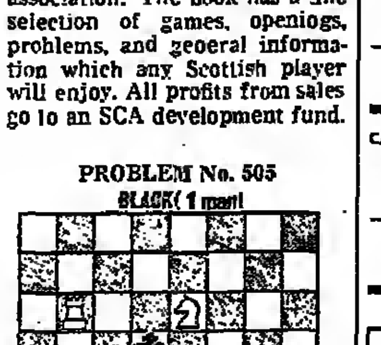
WHITE (4 men)

Sheriff Spens v Dr Lasker, Glasgow 1893. White (to move) was a knight up, but his opponent was the then reigning world champion and a win looks difficult. What should White play?

The diagram comes from Scotland's Chess Centenary Book by C. Pritchett and M. Thornton (Pergamon, £4.95) issued to celebrate a hundred years of the national chess association. The book has a fine selection of games, openings, problems, and general information which any Scottish player will enjoy. All profits from sales go to an SCA development fund.

PROBLEM No. 505

BLACK (1 man)



WHITE (4 men)

White mates in four moves, against any defence (by E. Petsch-Manskopf). Clue: White's four moves are identical, however Black replies.

Solutions Page 14

Holidays and Travel

Shades of Red

BY ERIK DE MAUNY

The Rise of the French Communist Party 1920-1947
by Edward Mortimer. Faber and Faber, £30, 431 pages.

A Marxist historian would probably not agree, but this detailed and meticulously researched study of the French Communist Party in its formative years looks like being a standard work of reference for many years to come, which goes some way to justifying its high cost. Edward Mortimer began work on it in the early 1970s, following a period as assistant Paris correspondent of The Times, then had to put it aside because of other journalistic commitments. He has now completed his labours, and there are no obvious seams or patches in his scholarship.

This is shown at its best in the opening chapters, in which he deals with the period leading up to the Congress of Tours in 1920, the congress which saw the official launching of the Party (although it did not adopt the title of Parti Communiste Français until a year later). It was a period of maximum confusion, a labyrinth of shifting alliances and opposing stratagems such that (as they say in France) a mother cat could scarcely find her young in it. But Mr Mortimer threads his way through all the contradictions and internal conflicts with confident ease. His account is necessarily a highly compressed one, but lucidity is never sacrificed for the sake of compression.

His chief aim has been to demonstrate the process by which the PCF gradually evolved from a turbulent faction into a genuinely national party. In doing so, he provides a masterly analysis of the continuity of motives underlying the party's frequent shifts of position, and especially of that peculiar servility with which, with only brief velleities of dissent, the PCF has usually followed the line laid down by Moscow. This has, of course, involved it in some spectacular U-turns over the years.

One has only to contrast Maurice Thorez's virulent abuse of the Socialists in 1934 ("It's at this moment that we are invited, in effect, to abandon the positions of bolshevism and return to the social-democratic vomit . . . All the babblings about marriage between Communists and Socialists are completely foreign to the spirit of bolshevism . . .") with his rhapsodic endorsement of the Popular Front only a few years later.

So one must ask why, in striking contrast to its Italian counterpart, the PCF has usually shown such slavish obedience to the dictates of the Kremlin, even when these manifestly harmed its own cause? In part, this can no doubt be attributed to an ancestral memory of 1789 and the Paris Commune, viewed with pride as the precursors of October 1917. But one must not forget the deep class rancour which still pervades French society. Yet the fact remains that the PCF has always done best electorally when it has managed to express a profound national sentiment. This was true in the Popular Front period. Then came the disarray caused by the Nazi-Soviet Pact, when the party's fortunes plummeted. It retrieved those fortunes, however, by its subsequent record of wartime resistance, reaching a high point — 28.6 per cent of the vote! — in the post-war elections of November 1946.

Mr Mortimer ends the major part of his study in 1947, the year in which the Socialist Prime Minister, Paul Ramadier, ousted the Communist Ministers from government, and sums up developments since then in a 34 page epilogue. His thesis is that, in spite of some tactical advances and retreats, there has been little significant change in the PCF line in this post war period. However, since the election of President Mitterrand in 1981, four Communists once more hold ministerial posts in a predominantly Socialist government. The strains of this cohabitation are beginning to show, and one wonders how long they will stay in office this time.

Charles Fiterman, France's Minister for Transport: prominent member of the French Communist Party.

Voices out of China

BY COLINA MACDOUGALL

The Heart of the Dragon
by Alasdair Clayre. Harvill Press £12.95, 281 pages

Beijing Street Voices
by David S. G. Goodman. Marion Boyars (paperback) £5.95, 202 pages

Mao's Harvest
by Helen F. Siu and Zelda Stern. Oxford £12.95, 231 pages

China After Mao
by Liu-Hueng-Shing. Penguin Books £4.95, 176 pages

Channel 4's new series on modern China, *The Heart of the Dragon*, is bound to sharpen the appetite for books on the Middle Kingdom. Here are several—not least the book of the series, also called *The Heart of the Dragon*—which will go some way towards assuaging that appetite.

Between them, they give a sobering account of modern China. Each takes a different approach but ends up with the same conclusion. Despite historical and intellectual riches, China is struggling with a legacy of strife, poverty and ignorance which will take years to eradicate.

The most sumptuous is Alasdair Clayre's book, with exquisite illustrations on almost every page. It deals with China by themes, remembering, marrying, trading and so forth as do the television programmes. The book incorporates much of the same well-presented material, plus a good deal more.

If this occasionally lacks fire, it is probably because it was the product of research for other purposes. The magic of the book is in the pictures, mainly drawn from Chinese paintings and contemporary photographs, well chosen and surprisingly diverse. Besides the startlingly beautiful paintings from the Sung and Ming dynasties, they include the quaint and the curious. Such is the photograph of the notorious Empress Dowager (who schemed and poisoned her way to power at the end of the last century) looking, despite her Manchu court dress, like a cosy old Chinese amah. A painting commemorating the first aircraft flight in China (1911) shows three figures in a traditional landscape gazing heavenward at what looks like a flying pram. Sadly Alasdair Clayre, a brilliant writer, died just before publication.

Beijing Street Voices and *Mao's Harvest* focus on a narrower canvas. As new men turned China in a fresh direction after Mao's death in 1976, pre-Cultural Revolution leaders and ideas were rehabilitated. In November 1978 a new era of free speech seemed to have dawned. These books reprint and comment on some of the literature produced then.

David Goodman concentrates on the unofficial posters and magazines of the period. As he remarks, what is amazing is not so much their quality but that they happened at all. His valuable and detailed account of this "democracy movement" makes the clampdown by the authorities in spring 1979 even sadder than it seemed at the time. The movement was no kind of threat. It was not centrally organised, was nothing like the dissident movements of eastern Europe, and consisted merely of groups of young writers who published their work unofficially but not illegally.

Mao's Harvest sticks to officially published writings from 1979-81. Affected by the relative liberalism of the time, it avoids many of the stereotypes of official fiction. The insights into life in China are sharp and moving. One outstanding story, "Overpass," by Liu Xinwu shows a family almost disintegrating in the frustration, greed and snobbery generated by the pressures of overcrowding. This kind of realism is no longer politically popular. Sadly the introduction to the book is not up to the quality of David Goodman's.

The China of these years comes to life in Liu Hueng-Shing's book of photographs. The teddy boys stare through their sun-glasses, a furtive couple make love, Deng Xiaoping impishly eyes U.S. businessman Armand Hammer. Liu is a news photographer for AP, and his pictures carry a well-defined message. It is a good companion volume to the others.

The Empress Dowager Cixi, power behind the throne of China from 1861 until her death in 1908. Intensely conservative, she blocked all plans for reform. Three years after she died revolution broke out, and the last of the Qing emperors, a boy of six, was forced to abdicate. (An illustration from "The Heart of the Dragon," the book of Channel 4's present series on modern China.)

A poet's wartime memoirs

BY JOHN LEHMANN

Home and Dry: Memoirs III
by Roy Fuller. London Magazine Editions, £8.95, 166 pages

It is not easy to write about a book of memoirs by a man with whom one has had a close friendship — including a working relationship covering many years—for half a lifetime, but I find it difficult to imagine anyone not sharing my interest and enjoyment in this third volume of Roy Fuller's autobiographical series.

Home and Dry concerns itself almost entirely with his wartime service in the Fleet Air Arm in Africa, mostly near Nairobi, dealing with radar. Readers who do not know the book's two predecessors, *Souvenirs* and *Vamp Till Ready*, may be surprised at first by the light fog (or perhaps I should say sea-mist) that covers much of the narrative: phrases like "I do not recall exactly" and "this is too vague in my mind now to be certain." One soon perceives that this refusal to fake memories that are not precise gives the book an essential authenticity.

During a large part of this period Roy Fuller was composing the poems — they seem to have come in a steady flow — which made his reputation as one of the most significant of the active-service war poets. Though he never fired a shot in anger, the novelty of what he saw and experienced in East Africa, combined with the heightened tensions of the war, brought his gifts to an astonishing flowering. Re-reading the poems in *A Lost Season*, I am struck again, as forcibly as ever, by the total absence of rhetoric and romantic slushiness that disfigured so much of the verse written at the time; by the precision of language and the wonderful evocative power of imagery:

The monkeys near the mess
(where we all eat
And dream) I saw tonight
select with neat
And brittle fingers dirty
scraps, and fight,
And after pick their feet.
They are secured by straps
about their slender
Waists, and the straps to
chains. Most sad and tender,
They clasp each other and
look round with eyes
Like ours at what their
strange captivities
Invisibly engender.

Roy Fuller cannot explain, any more than any other creative artist, how the afflatus that produced these poems came to him; but he does give a rather funny description of how his previous volume, *The Middle of a War*, came to be published by the Hogarth Press. My partner, Leonard Woolf, was always suspicious of any young authors I had backed in *New Writing*. To gain Leonard's approval, we decided to overwhelm him with the number of periodicals in which the various poems had already appeared. As Roy reeled them, down they went, written by me, large at the bottom of each typescript page. Luckily, quite a number of them were *not from Penguin New Writing.*

Pole to Pole persistence

BY DAVID BLACKWELL

To The Ends of the Earth—Transglobe Expedition 1979-82
by Ranulph Fiennes. Hodder and Stoughton, £12.95, 224 pages

To cross either the Arctic Ocean or the Antarctic continent is feat enough. The Transglobe Expedition crossed both in quick succession—putting itself firmly on the map of world exploration.

Sir Ranulph Fiennes and Charlie Burton became the first men in history to reach both poles. The story makes gripping reading and fully demonstrates the awesome organisational abilities needed to embark on such an adventure.

Sir Ranulph's wife Ginnie came up with the original idea seven years before the expedition set out. The obstacles overcome by the remarkable team were manifold long before any physical hardships had to be borne in three years of hard travel.

The polar crossings were carried out on skidoos, a kind of cross between a motor scooter and a snow tractor. The riders were out in the open like motorcyclists, and running repairs at polar temperatures were a nightmare. Supplies were brought in by air and sea, the ship Benjy B retaining a special hold on the expedition's affections.

Sir Ranulph gives a straightforward, understated account, paying fulsome tribute to the whole team, including his terrier Bothy. The dog kept his wife company at the remote base where she struggled heroically with the radio equipment, doing invaluable experimental work. Such was her ingenuity that she used old electric cooker rings as resistors in one emergency repair.

No expedition of this sort could escape unscathed, and there are tales of fires, polar bears and a skidoo and sledge lost through the ice. Dogged persistence and sheer willpower were needed to keep going in such conditions. "After eight hours our underwear, socks, facemasks and jackets were soaking wet or frozen, depending on whether we were hauling or resting . . ." The tent had "little room for drying clothes other than on a suspended net from which drips fell on to us, our bags and the evening stew. It was never possible to dry clothes but with a bit of effort they could be improved from wet to damp."

This came as the two pulled sledges over Arctic pressure ice, the Antarctic crossing long behind them.

The book is illustrated with colour photographs and contains useful appendices giving details of the scientific programme, of previous polar expeditions, the names of all who took part and the sponsors who made it all possible. It is a splendid monument to a magnificent British achievement.

BOOKS OF THE MONTH

Debrett's Handbook 1984
Debrett's Peerage Limited
The most important new biographical reference book of the decade. Over 21,000 detailed entries covering a wide range of leaders in every field. Invaluable to any office, completely up-to-date.
Debrett's Peerage Ltd £39.25
73 Britannia Road
London SW6

On the Edge of the Organization: The Role of The Outside Director
by A. Spencer, Management Centre, The University of Aston
This book deals with boardroom behaviour and power. Companies throughout the world include outside directors on their executive boards and this volume examines their role and the influence they exercise.
0471 90013 4 150pp March 1983 £12.50/$23.75
John Wiley & Sons, Baffins Lane, Chichester, Sussex PO19 1UD

The Management of Innovation
by R. C. Parker, Ashridge Management College
This book has two aims: to present eight case histories concerned with innovation in manufacturing industry and to suggest ways in which the management of innovation can be improved
0471 10421 3 240pp February 1983 £14.95/$29.95
John Wiley & Sons, Baffins Lane, Chichester, Sussex PO19 1UD

Managing Growing Organizations: A New Approach
by T. D. Weinshall, Faculty of Management, Tel Aviv University and Y.-A. Raveh, Department of Business Administration, University of Haifa
The survival of an organisation depends on the ability of its managers to handle innovation, change and development. This book presents a *unique* approach to the problems of organisation dynamics.
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£19.50

FICTION

Back to the roots

BY NICHOLAS BEST

The Anatomy Lesson
by Philip Roth. Cape, £8.95, 291 pages

The Two of Us
by John Braine. Methuen, £7.95, 183 pages

Corruption
by Penelope Lively. Heinemann, £7.95, 136 pages

Modern Baptists
by James Wilcox. The Alison Press/Secker & Warburg, £7.95, 239 pages

"Nathan Zuckerman, successful Jewish American novelist, has a problem. Disgusted with the writing life, depressed by the onset of baldness, he has been laid low by an orthopaedic complaint that forces him to lie on his back all day, ministered to by an assortment of women who are down on him in more ways than one. . .

As if that were not enough, he has also decided that what he needs in mid-life is a complete change of career. He throws up everything and abandons best-sellerdom to return to Chicago University as a medical student. *The Anatomy Lesson*, he feels, will give him all the things that writing does not. Life can begin again at 40 —or rather at 50, by which time he will have qualified to practice in his chosen field of obstetrics.

"A first-generation American father possessed by the Jewish demons, a second-generation American son possessed by their exorcism: that was his whole story."

Philip Roth: novelist of second-generation Americans "possessed by their exorcism"

It might also be Philip Roth's, for although he denies any autobiography this final instalment of the Zuckerman trilogy reads in large part like a volume of his memoirs spread rather more verbosely than the material warrants. He claims that the book is about physical pain and the havoc it wrecks on human credentials. So it is, up to a point. It also contains flashes of the old wit for which we can always be grateful. But there is only so much mileage to be squeezed out of writing about a Jewish-American novelist. It is time the author moved on.

John Braine also sticks close to his roots in *The Two of Us*, sequel to his earlier story of adultery in the Yorkshire wool trade, *Stay With Me Till Morning*. Robin Lendrick, wife of mill owner Clive, continues her affair with television executive Stephen Belgard. Clive continues his with Ruth Inglewood; he makes her pregnant. Clive's inadequate brother Donald, under pressure from a debt-collecting bookie, makes over his crucial interest in the family firm to a U.S. consortium.

All of which makes *The Two of Us* sound much more exciting than it is. Nobody is better at depicting small town life in Yorkshire than John Braine, and the adultery scenes are entirely convincing, if run of the mill. Yet the boardroom drama falls flat, and the difficult relationship between the two Lendrick brothers is never fully explored. The bones of a good story are here, but not the red meat to go with it.

Despite the astringent title, Penelope Lively's new collection of short stories, *Corruption*, is filled with gentleness and humour and the wholesome pursuit of country activities—whether it be a pair of 70-year-olds cuddling in a churchyard, a determined old hag marching her neighbour's tom cat off to the vet for the operation, or a couple of spinsters discovering, on an unaccustomed visit to the servants' quarters, that their two staff are actually lesbian lovers.

The judge of the title story is in the middle of a pornography trial, weekending in Suffolk. He is as sober as he ought to be, although the same cannot be said for the homework he has brought with him. One gust of wind and dirty pictures are scattered all over the beach, to the embarrassment of everyone concerned.

The idea of things not being quite what they seem is a recurring theme in these stories; notably an innocuous old lady who once allowed a German airman to die in agony. Penelope Lively is an accomplished writer, a shrewd observer of human nature. Not all the stories in this collection come off; one has mild reservations about her use of dialogue.

James Wilcox's *Modern Baptists* is an intermittently funny first novel about small town America, in particular the Bible belt of Louisiana, the author's home state. Bobby Pickens is a Pooterish bachelor, a respectable shop assistant until his senior brother, FX, come to stay following a spell in prison. Gorgeous Toinette, she of the Fighting Otters Marching Corps, forces an unrest cure on Bobby in a plot that has its moments but is too complicated by half. Mr Wilcox's gifts are undeniable, but he has not yet learned how to make proper use of them.

Exiled Dean

BY JEFFREY MEYERS

Swift: The Man, His Works and The Age. Volume Three: Dean Swift
by Irvin Ehrenpreis. Methuen £40.00, 1,066 pages

This long, leisurely and impressively learned biography completes the trilogy begun in 1962. It has some severe notes on scholarly enemies; provides the context for Swift's works; and offers a portrait of the Dean that pulls the tiger's claws and presents him as a paragon of perfection: more cheerful and virtuous than bitter and frustrated.

In 1714 Swift fell from power with his Tory friends and was exiled to Dublin to occupy the deanery of St Patrick's which had been secured during the reign of Queen Anne. Brave in conscience but timid by instinct (his works were rarely signed though the authorship was covertly revealed), he was vindictive when triumphant but heroic in defeat. His leading principle was "never yield to an oppression." He was lonely, despite his wide circle of friends, for he had no intellectual equals in Ireland. The happiest time of his later life was the visit to Pope, Gay and Arbuthnot in 1726. He had brief hopes for an English deanery after the death of George I. But the posthumous son, disappointed protégé of Sir William Temple, champion rejected by the Queen and Irish patriot was destined to be frustrated in this as in most other ambitions.

Swift loved friendship, conversation, visiting, dining out, instructing young ladies, improving the land, riding and exercise (he would run up and down the stairs of his house in bad weather). He also liked jests, puns, epigrams, and wrote this charming riddle, on snow: "From heaven I fall, though from earth I begin. / No lady alive can show such a skin. / I am bright as an angel, and light as a feather. / But heavy and dark, when you squeeze me together." But he lived long enough to know that friendship "must leave the survivor miserable." When his mother died, he felt: "I have now lost my barrier between me and death"; when he lost his beloved Stella, he thought that his real life was over. Such misfortunes, he said, "seem to break the whole scheme of a man's life." As he grew older his rage against the English, the nobility, absentees and women increased.

Swift enjoyed sexual excitement that transcended sexuality and maintained his passion for Vanessa who played the role of daughter-mistress and for Stella who acted as his mother-wife. But he always kept women at a playful distance and never considered sexual relations or marriage, for he was terrified by women's bodies. He developed a defensive, disgusting comedy of sexual prosthesis and associated his victims with filth in notorious poems like "The Lady's Dressing-Room," which made a friend instantly throw up her dinner.

When Swift lived in Ireland that country was "absolutely starving, by the means of every oppression that can be inflicted on mankind." After decades of economic and agricultural decay, 90 per cent of the inhabitants were beggars and the principal streets half-ruined or desolate. He lashed out against the radical corruption of villains and dunces and, in his savage criticism of human nature, tried to administer "a dose for the dead." These were the years of his greatest satires, which inspired Wyndham Lewis, in Blast (1914), to "Bless Swift for his solemn wisdom of laughter."

Gulliver's Travels eccentrically combined a contempt for mankind, a traditional Christian view of unredeemed humanity and a Rabelaisian emphasis on bodily functions. But, John Gay observed, it was universally read for its wit and style "from the cabinet-council to the nursery" and is still considered the greatest literary work of the eighteenth century.

The Drapier's Letters were high art propelled by moral energy. Addressing a non-literary audience and adopting a rhetoric of confidentiality, Swift forced the Walpole regime to withdraw the debased small coinage that had been passed by Sir Isaac Newton as Master of the Mint. (Ireland had to pay the bill when William Wood agreed to surrender his patent for £24,000.) It is difficult to imagine a modern government trembling at the passionate intelligence of a political poem or pamphlet or any writer, since the death of Yeats, who could produce such powerful effects.

Throughout his life Swift was troubled with the deafness and dizziness of labyrinthine vertigo, which forced a withdrawal into himself. In his mid-seventies, mortified in body and mind, he suffered brain lesions and motor aphasia. Though incapable of caring for himself, he was neither clinically insane nor, as Samuel Johnson cruelly said, "a driveller and a show." His last, sharp words were: "I am a fool."

Jonathan Swift by C. Jervas, 1718, now in the National Portrait Gallery.

SAS secrets

In Honour Bound
by Gerald Seymour. Collins, £8.95, 350 pages

Gerald Seymour spent 14 years travelling the world as an ITN reporter and it shows. He makes good use of this background in his novels. The latest is set in Afghanistan, with the mujahidin fighting the Soviet forces in a particularly messy guerrilla war.

Into the midst of the conflict strides an SAS captain, armed with some outdated heat seeking missiles. His official mission is to down a Soviet helicopter and feed Britain with its secrets.

But he gets deeply involved in the unequal fight, and with a U.S. Vietnam veteran waging his own private war and an Italian nurse who is doing what she can to relieve the suffering of wounded Afghan fighters.

Gerald Seymour makes no attempt to mask the horrors of this type of warfare, but the violence is mitigated with sympathetic portraits of the participants — including the Russians.

BRIAN AGER

Crimes

BY WILLIAM WEAVER

Deceitful Death by John Penn. Collins, £6.50, 185 pages

A stag party at a respectable club is interrupted by the appearance of a striking blonde who claims to be the prospective groom's pregnant mistress. Two murders follow and the poor groom has to face not only the predictable difficulties with his fiancée's stuffy family but also the suspicions of the police.

Fortunately, a friend of his, a clever physician, conducts an amateur investigation parallel to the enquiries of the Yard. The doctor gets coshed for his pains but saves his friend's reputation and marriage and his own life into the bargain. A very good performance, skilfully devised and economically narrated. John Penn (this is only his second book) is a writer to keep an eye on.

HOW TO SPEND IT

by Lucia van der Post

Hair Today

THE photographs above give just some idea of the kind of variation of hair style thatcan be achieved with today's new generation of hair aides. Immediately above is one of today's fashionable gravity-defying styles, achieved with the help of Alberto VO5 Extra Control Styling Mousse.

The two photographs, top right, show the same man with two completely different looks achieved by dint of judicious use of Aramis' Maltplexx. Though primarily designed to be used on just-shampooed and towel-dried hair, it can be applied to dry hair between shampoos. On the left, the model is seen with dark curls kept under control with Maltplexx—on the right those same curls have been smoothed away to achieve today's fresh-faced, clean-cut, college-boy look.

FOR those whose hair is not so much their crowning glory, more their crown of thorns, the new generation of hair products is very skilfully put together to help them hide *this fact* from all but their nearest and most observant.

Most of us can well remember those first tentative products aimed at giving us what those in the beauty trade refer to as "hold and control." Pretty beastly they were. Gels and sprays which made those would-be shining tresses look more like chicken-wire, ruthlessly shaped (until the next shampoo) into a rigid structure, impervious even to strong gusts of wind.

Today, it's all a much more subtle, skilful business. The latest range of products has within it so many different qualities that almost any hair styling problem (though, alas, no cure yet for baldness) can be at the very least ameliorated.

Though the beauty houses are, on the whole, strictly divided into male and female when it comes to hair products, the difference seems scarcely relevant.

Take Aramis' latest product—Maltplexx, a natural hair gel (£7.25 for 3.25 fl oz). When I dropped by to see just what it could do for *all those* anxious men out there, longing to be better groomed, it soon became clear that the Aramis girls couldn't wait to show me what it could do for me. The answer, it has to be admitted, is a great deal.

But I digress. First, let us take Peter, Jim and Tony.

Peter had nice straight hair and looked pretty good to me but he was worried that it was a bit out of control ("hold and control" you will remember are the magic pass words). The Aramis girl gave him control in about five minutes flat—she rubbed some Maltplexx on to her fingers and then worked it gently through the hair. Sure enough he began to look controlled enough to deal with any situation — the jaunty tuft on the crown of his head lay flat and the cow's lick on his forehead lay obediently sleek.

Jim now was concerned about his thinning hair (though this may sound like a distinctly masculine problem there are many women who long for richer, thicker tresses). In his case the gel was rubbed through his hair, after it had been washed but before it was properly dried and it did indeed seem to give his hair extra "body" and "lift."

Tony's problem was that he had very curly hair and he wanted to get rid of the frizzy look. The Aramis girl again rubbed some Maltplexx onto her *fingers* and then massaged it gently through the hair. Gradually the tight, frizzy curls seemed to take on more definition and as she worked more gel through the hair it became sleek and glossy. By the end he looked as if he'd come straight from central-casting for the Valentino part.

Then *my* turn came. My hair, it was true, was looking far from its best — lank, I think is probably the word. After dampening my hair with one of those sprays she then worked the Maltplexx slowly through it — in five minutes I looked as if I'd come straight from a blow-dry at the hairdressers.

For women who'd feel happier with a product designed specifically for them Clinique has brought out a product called Hair Shaper (£5.75 for 175 ml). Given the official word of approval by that bible of all that is modish and In, Women's Wear Daily, it is the latest aid to the fashionably wild and full-bodied look.

You can use Hair Shaper to give a stand-up spiky look to hair that is naturally rather thin and limp, or else you can use it to give a smoother, richer contour to a sleek cut. Like Maltplexx, the Hair Shaper should be applied after the hair has been washed and before it is blow-dried and having tried that out it, too, definitely helps to *shape* and "*lift*" the hair.

Finally, just one more of the many products around that I've tried out—Alberto VO5 Styling Mousse. Much cheaper than the other two products at just £1.19 for 100 ml, its claim to fame is that it offers two versions of the controlling mousse — "normal control" or "extra control."

Pretty stitching

READERS out of London who are interested in embroidery work of all sorts or who go in search of interesting knitting patterns to make up themselves, often complain that their local shops don't offer quite the variety or choice that they would like. Ehrman, of whom I've written before, has done a great deal to put this right by putting together a full-colour mail order booklet which shows a wide range of designs which should satisfy almost every taste.

Ehrman is based at 21-22 Vicarage Gate, London W8 and in the shop itself can be seen not only the kits themselves but also the completed versions in all their full-colour glory.

The latest catalogue is the biggest yet and has some enchanting new designs. There are three tapestry kits adapted exclusively for Ehrman by The Embroiderers' Guild from its famous collection of embroideries at Hampton Court. Nicest of these, I think, is adapted from an original 1740 sampler (stitched by a boy) and called The Red House.

Then there are footstool designs for Ehrman by the Royal School of Needlework and some historic ones from the Victoria and Albert Museum. For those who prefer a more modern feel Kaffe Fassett's exclusive designs are in all the modern colourways—from rich Eastern designs to soft, gentle English ones. Prices vary from £16.50 to £24.95 but the vast majority of them are just £16.50. The prices include the kits, the wools and all instructions.

To turn now to the knitting kits—these all contain the necessary yarns, patterns, buttons and charts and though they may seem expensive they cost nothing like the price they would be if bought ready-made. Three designers have contributed to the Ehrman knitting kits—Kaffe Fassett, Susan Duckworth and Sue Bradley. Styles range from simple V-neck slipovers, through warm jackets and on to the versatile cotton cardigans (like the one sketched here above). Prices for these kits start at £19.95 and go on up to £39.95. The catalogue always indicates what degree of knitting skill is required—for instance, most of the Fair Isle designs are not suitable for beginners.

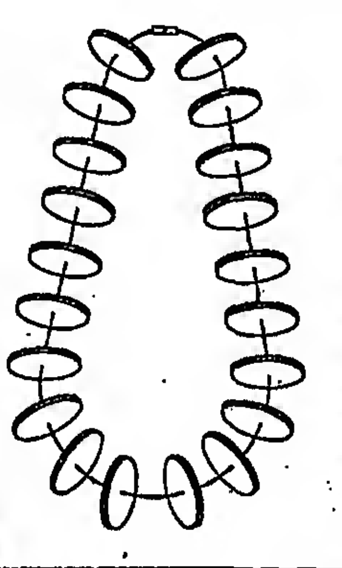
For a free catalogue write to Ehrman, Freepost, London W8 4BR.

Fair Isle pattern car... kit in 100 per cent cotton

Harvest Bowl, a Kaffe Fassett design for Ehrman

Anne Morrow

Shapes of the future

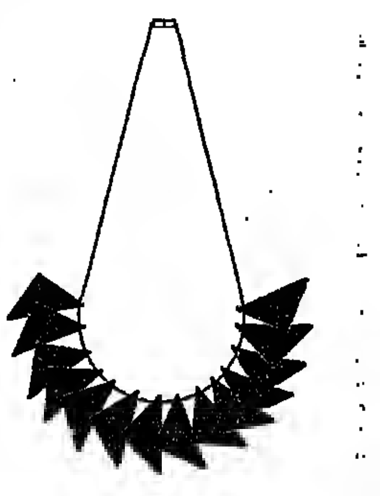


CAROLINE Broadhead and Nuala Jamison are two young jewellery designers who, for a long time, have been experimenting with new materials, producing some of the most exciting of the new wave of jewellery.

Their early experiments were with plastics and materials like silk, twine and cotton and now they have together produced a range in Perspex which *is full of dash and brio. All* the pieces sell for under £20.

Shown here are two of their latest pieces—clear, transparent discs on a white thread are shown left and triangular pieces of black Perspex are threaded together on the right.

See the jewellery at Detail, 49 Endell Street, London WC2, Harrods, Fenwicks, Liberty's, all in London.



Drawings by Pauline Rosenthal

Making faces

COLOUR plays a critical role in any good make-up and those lucky enough to be born with a good colour sense will find themselves with a distinct advantage. But if, like many people, you are confused by the ever-growing selection of shades now available, the answer could be a co-ordinated colour kit. You can find these in a wide variety of exciting colour combinations for eyes, lips and faces, and look like being the top beauty accessory for 1984.

Kits are good for several reasons. Most people buy make-up in a fairly haphazard way. We pick up a free offer which is good value for money but not alway such a good match for colouring. Or, we take a spontaneous purchase of a colour we'd never have thought of trying because a fashion article tells us that it's all the rage. The result is a drawer full of unrelated oddments and very little idea of what colour to wear with what.

One of the major advantages of kits, especially those for the eyes, is that they help you to recognise which colours go with which. This is particularly important today because the best eye make-up is most effective when several tones are blended together—you'll get six to eight shadow colours which are co-ordinated and so blend well.

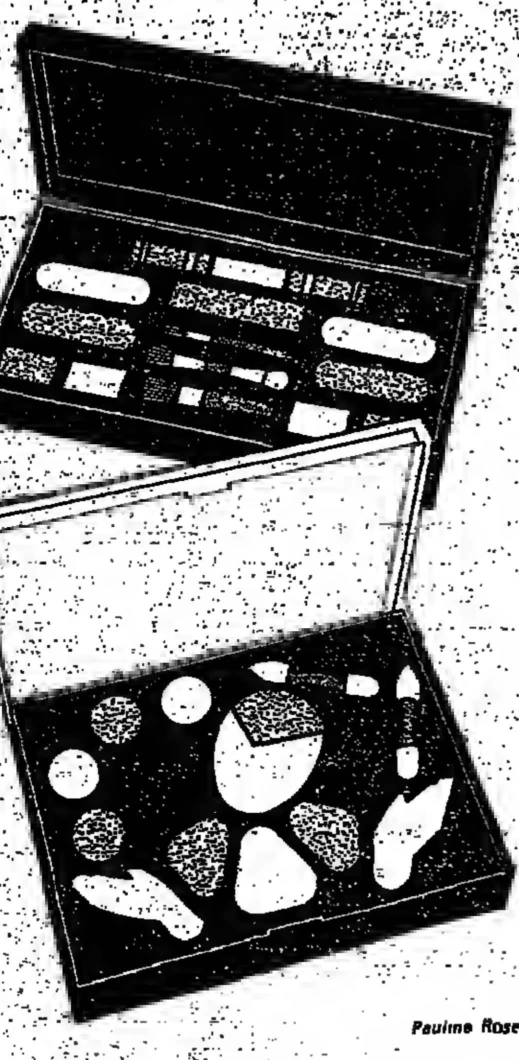
If you haven't bought an eye kit before, choose one that has a helpful illustrated booklet on how to use dark and light tones to contour the eye. One kit will give you three or four different effects, for day and evening, formal or casual wear.

The other popular buy is a complete face kit. I'm a particular fan of these because next to having a professional make-up, they take the guesswork out of experimenting and will instruct you in the importance of achieving a good colour balance.

This is worth considering because a pink blusher will look quite different on a naked face, to the way it will appear on top of, say, a golden beige base. Similarly, some lip and eye colours can look stronger and darker when worn with an overly pale foundation and no blusher. If you think this could be your problem, choose a face make-up that includes a foundation as well as two or three shades of blusher plus a lip and eye shadow selection.

Successful application of make-up depends a great deal on having the right brushes and applicators and you'll find these are included in most kits. However, I think that nearly all the blusher brushes are too small—a big brush or rouge mop makes application a lot easier.

Here are some of the new kits around:



Pauline Rosenthal

TOP

One of Boots' own colour kits for £6.50

BOTTOM

The Juggler, one of Mary Quant's new colour kits, £8.50

EYES

Max Factor's Maxi range: two book shaped eyeshadow kits, eight colours keyed to colouring: Little Brown Book for brunettes, Little Blue Book for blondes £4.50

Madeleine Mono: a high fashion selection of eyeshadow colours, eight Light Years Ahead, sophisticated and shimmery £9.99.

EYES LIPS NAILS

Mary Quant's Colour Double Act, two shadow teams in lilacs and browns with mascara and toning lipstick and nail polish £11.50

FACES

Max Factor's colorfast Lasting Classics Kit with foundation, blushers, eye colours, mascara and lipstick £10.95

Mary Quant's Big Top Colour Parade holds foundation, blusher, lip and eye colours and mascara plus a very helpful colouring booklet £27.50

Boots No 7: cool looking London Colours kit and warmer Rome Colours kit with shimmer shadows, lip gloss, mascara and blusher; also New York Colours and Paris Colours more sophisticated tones for parties; all £6.50.

Estee Lauder Prescriptives: elegant slim compact with four eyeshadows, four cream cheek colours and two blushers £12.

Helena Rubinstein's Bijoux Colour Collection with six eyeshadows, two blushers, two lip glosses, mascara and eye pencil £12.95

Lancaster Make-Up Case with four eyeshadows, two blushers, glitter for parties, lip gloss, eyeliner, pencil and mascara £12.50

Kanebo Magic Make-up compacts in three sizes, with magnetic interchangeable godets of foundation (choice of four shades) powder blusher (six shades) lip colour (12 shades) eye shadows (12 shades). You select your own colour combinations. Small compact £2.50, medium £3, large £3.50.

Roc's hypoallergenic kit, good for people with sensitive skins, has four toning eye-shadows, *blusher, mascara and lipstick* £15.95.

JOAN PRICE

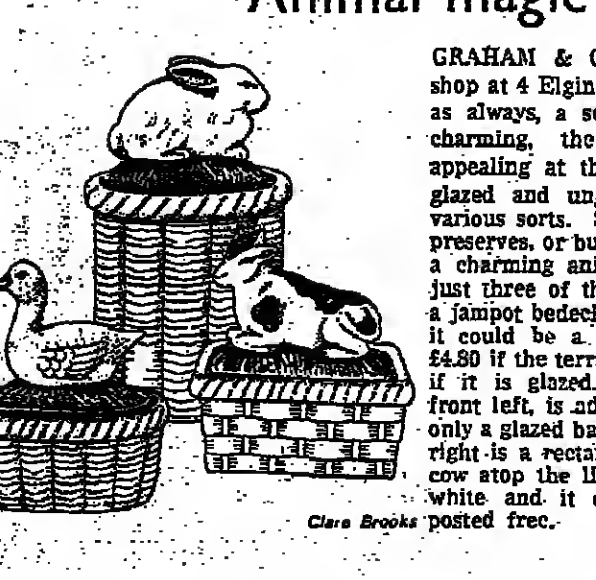
Book & see

ANYBODY with a planned trip to New York ahead might like to know that there is now a box office in London which enables visitors to buy tickets for Broadway shows before they leave. Called The British Broadway Box Office, it is run by Edwards and Edwards and is to be found within the theatre shop First Night at 46 Museum Street, London WC1.

For those who don't regularly get the American newspapers there is a leaflet which lists all the New York theatre information and which can be sent to those interested at monthly intervals.

As the name implies you can, of course, also use the service to book London theatres. Bookings can be made any day from Monday to Friday between 11 am and 6 pm (tel 01-831 [illegible]) and any major credit card can be used.

Animal magic



Clare Brooks

GRAHAM & GREENE, that delightful shop at 4 Elgin Crescent, London W11 is, as always, a source of the off-beat, the charming, the unusual. Particularly appealing at the moment is a series of glazed and unglazed terracotta pots of various sorts. Suitable for holding jams, preserves, or butters, all are decorated by a charming animal. Sketched here are just three of the range. At the back is a jampot bedecked with a rabbit top (but it could be a chicken, duck or cow)—£4.80 if the terracotta base is plain, £10.40 if it is glazed. The oval butter dish, front left, is adorned by a duck and has only a glazed base—£6.85. Finally, on the right is a rectangular butter dish with a cow atop the lid. The base is glazed in white and it costs £6.85. All can be posted free.

THE ARTS

Clause for concern

Clearly last week's most important programme, in the BBC's eyes, was David Watt's talk, *British Socialism Redefined?*, for they gave it on Radio 3 on Saturday evening and Radio 4 the following night, no doubt to clear the minds of the Chesterfield electors before voting day. The theme was interesting — the need for Labour to reconsider the Fabian teaching enshrined in the basic Clause Four of the party's constitution. (Tony Benn recited Clause Four at great speed in one breath, to make sure we knew it.) Labour philosophy was examined by Mr Kinnock, Mr Len Murray and Ms Shirley Williams as well as Mr Benn, and from the touch-line by Bernard Crick and Martin Jacques. Quoting Richard Crossman's dictum, "Philosophy begins where pragmatism fails," Mr Watt reviewed the varieties of philosophy put before him with considerable coolness, and his conclusion, in this centenary year of the Fabian Society, was that "Labour needs to throw out its old baggage, Fabian and Marxist alike."

Important current affairs again on Saturday's *You the Jury*, transferred for the evening to Belfast to debate whether

RADIO

B. A. YOUNG

it was right to try cases dependent only on "supergrass" evidence before judges without juries. 71 per cent of the Belfast studio audience thought it wasn't; so did 55 per cent of the London audience.

The great Binkie Beaumont disapproved of double bills, but Radio 3 evidently doesn't, and gave us one on Thursday, two short plays separated by a piano recital. The first was very pleasant, a conversation between a mature man and a small girl in which she unconsciously tells him that her mother will marry her friend, "Uncle" Tommy. Annabelle Lanyon played the girl with innocent charm; Geoffrey Collins played the man, whom we soon realise had meant to marry the girl's mother himself. Why the author, Robert Ferguson, should have called his play by the putting-off title *The Smell of the Seaweed, the Roar of the Fish* must be between himself and his agent. Richard Imison was the director.

The other play, *The King Emperor*, by E. R. Pugh, was very different, the kind of romantic fantasy invented by second-class SF writers like Poul Anderson. A Young Man (nameless, of course) rides out over the desert to the imperial city. He climbs the wall into the palace of the Queen, who had "deep violet eyes." (I was half expecting violet skin.) She takes him on as a lover all the summer. From the walls he watches parties hunting the white stags.

"Never mind," says the Queen when he shows himself an anti-blood sports man, "they always escape into the wood." But at the end of the summer, the affair ends, and the Queen magically turns the Young Man into — had you guessed? — a white stag. I never heard anything so silly, and I like both fairy stories and science fiction. It was presented as a narrative (William Squire reading) with intermittent dialogue (Sian Phillips and Robin Sachs), with important incidental music, some of it by Bach, no less. Enyd Williams was the producer, and how lucky she was to get such a company for such a play.

A different kind of double bill is to be found on Radio 4 on Sundays, for they now have two serials going. The first instalment of *The Bird of Dawning*, adapted from Masefield's novel by Colin Finbow, was immensely exciting. The *Blackgauntlet*, sailing home from China with the captain determined to win the tea-clipper race, rams another ship in the fog and is left sinking at the end of the instalment. Brett Usher is the narrator, but it's best when he gives way to the crew — Geoffrey Collins again as the 27-year-old captain, Michael N. Harbour as the 21-year-old first mate. Director, Peter King.

Kipps, Sunday's second serial, is one instalment ahead of *The Bird*. Michelene Wandor, who has adapted it from Wells, has had the sensible idea of introducing Wells as a character, so saving us from the narrative excesses of so many radio adaptations. He even chats with Kipps, guiding him in his conduct when he needs help. Paul Daneman plays him, friendly and fatherly, and Kipps, a young and eager performance by Mark Straker, calls him "sir" or "Mr Wells." Kipps has already inherited his fortune, and is about to buy a share in a comedy by Chitterlow (Nickolas Grace). It's great fun, but I hate Ilona Sekacz's music.

Bear baiting in Berlin

Nigel Andrews on the final week of Berlin Film Festival

The most gruesome spectacle seen on a Berlin screen this year was that of a bear having a ring forced through its nose with the help of red-hot pliers and then being castrated before our very eyes. Anyone still left conscious after that scene (from Jean Flechet's *Le Montreur d'Ours*) could prepare himself for the relatively minor annual horrors inflicted on Berlin's very own grizzly: the Golden Bear for Best Film. This animal is regularly involved in furious tugs of war among the Jury members, who often compromise by slicing him cleanly down the middle as last year, when Britain's *Ascendancy* shared top prize with Spain's *The Beehive*.

This year John Cassavetes's *Love Streams* got the bear hug and the animal, thank Heaven, was left intact. (The film opens in London next week when I shall review it. But to judge by rumours from the jury-room it was a close call.

Among the chief rivals was Ettore Scola's *Le Bal*, which opened the festival and was a favourite throughout. This tribute to the glitzy glory of dance-halls contains one set, no dialogue and virtually non-stop music. We pound gracefully through the decades watching the denizens and dance-steps change in a single cavernous Paris dance-hall between 1930 and 1968. This time-lapse chronicle of music, manners and human mating rituals — from the brusque staccato of the Polka to the gyre and gimble of the twist — has a cast of weirdos worthy of Fellini (each playing at least two different parts): not least Jean-Francois Perrier as a seven-foot human stork who mutates from fussy-fingered dandy to steely SS officer. This film is unprofound but funny and colourful, and it won Scola the Best Director prize.

Closely tugging at *Le Bal*'s tails were Allen Fong's *Ah Ying* from Hong Kong and Norbert Kuckelmann's *Morning in Alabama* from West Germany. Kuckelmann's thriller about an apparently unmotivated shooting at a political meeting has dash and literacy and Maximilian Schell (as the investigating hero). But for me it didn't have the visual bravura that turns good TV material into a good movie.

Ah Ying is much more quicksilver and compelling: the tale of a young fish-market worker (Hui So-Ying) who decides to leap off the slab of family poverty into her dream of an acting career. Allen Fong's first film was *Father and Son*, that pulsing miniature of shanty-town life, and this his second is full of comedy, perception and a rich unforced symbolism

Gena Rowlands in "Love Streams"

(eg in one scene, a brilliant equation of stage fright with vertigo). Even the girl's initially unlikely romance with her crippled young acting teacher—played with a beard, a gammy leg and a rough-diamond acerbity by Peter Wang—takes on wit, weight and meaning as the film progresses.

The Competition also boasted its yearly quota of films with none of these qualities. Roland Emmerich's *The Noah's Ark Principle* from West Germany shows you how to transport waste dialogue into Outer Space but not how to recycle it. And Sam Fuller's *Les Voleurs de la Nuit* is a recession thriller, made in France and dubbed into horrendous American, about two jobless youngsters who take their labour exchange overlords to the cleaners. The audience gasps at the silliness of the plot and the squandering of a piquant cast: including Claude Chabrol, Stephane Audran and Micheline Presle.

The best news for Britain at Berlin was the popularity—with both critics and public—of *The Dresser* and the Best Actor prize it won for Albert Finney. The film opens in London in two weeks' time and will be reviewed then.

Outside the Competition it was a picturesquely erratic year at Berlin. Raul Ruiz's *Berenice* is a shadow-clotted chamber-movie giving us Jean Racine's play done with silhouetted characters and voices off in a peeling Palladian mansion.

There are moments of mesmerism, but you have to be deep in love with the rich monotony of JR's Alexandrines to put up with the less rich monotony of JR's Alexandrines.

American independent cinema looked mighty shaky with films like Alexander Rockwell's *Hero* and Sheila McLaughlin and Lynne Tillman's *Committed*. Hooray that new U.S. film-makers are taking a pair of shears to conventional narrative, but can they not rearrange the shreds and ribbons more imaginatively than this? *Hero* treks across the South-Western States with a spastic boy, two peculiar women and time-warped cowboy: in search of—what? That old chestnut, I fear, the American dream.

Committed is worse: the Frances Farmer story told in black and white, with wise-after-the-event feminist slants and in a style—flat, formal, front-on and uninflectedly speechifying—that it is now fashionable to call Brechtian. Of course, Brecht never used anything remotely like it, but since he is not alive to complain, the trend and its misnomer will no doubt continue.

Maximilian Schell, wearing his director's hat, had a go at bringing alienation—of the Pirandello rather than Brecht variety—to his feature-length documentary *Marlene*. The immortal Dietrich agreed to a voice-only interview with Schell and her husky tonsils purr forth reminiscences and wisdoms while Herr Max goes frantic trying to fill up the empty spaces of the screen. Newsreel footage, film clips, shots of the editors at work, shots of the studio set where they are filming and which reproduces Marlene's own apartment—and between-whiles the director's voice-off comments on the fascinating illusion-and-reality of it all.

Of course what is fascinating is the sheer frustration of it all. The smoky Dietrich delivering invisible bons mots—"People should cross themselves before they speak his name" (of Orson Welles) or "I can't *stand* Women's Lib"—while director and audience long to claw down the walls and get a sight of her. But even at 82 this goddess still knows how to tantalise.

Berlin dug down into even darker vaults to produce *Memory of the Camps*. This 60-minute British documentary about the Nazi concentration camps was made in 1945 and is blessed with Alfred Hitchcock's name among its collaborators. The truth is that Hitchcock only advised during the final editing stages, but if his name is enough to spirit this harrowing document out of oblivion, well and good. The details are familiar but their accumulation is irresistibly powerful: the pyramids of skeletal bodies in the mass graves, the charred shapes in the crematoria, the impressive SS guards lining up for the camera.

It's only sad that the discussion after the film, which was recorded for NBC television, became the occasion for much media-conscious grandstanding and self-righteousness. If the truth in cinema is worth anything, it's surely to help us behave more truthfully when the lights go up?

Folie à deux

VIDEO

NIGEL ANDREWS

It was Lord Byron, you will recall, who was "mad, bad and dangerous to know," and the description could justly be applied to several of today's leading film-makers. None more so than Federico Fellini and Ken Russell. Both men, now making it big in the video catalogues, flaunt a flamboyance of style often bordering on the demented. Both are "bad" as influences on less talented directors. And both are indisputably dangerous to know.

Fellini is a practical joker and anarch in the most mischievous traditions of surrealism, and Russell is likely to turn violent at the drop of a critical pejorative. We all remember, I'm sure, the famous TV occasion when he bonked Alexander Walker on the occiput with a rolled-up newspaper after A.W. had disparaged one of his films. (On another occasion Russell confronted Walker in a restaurant with an elephant gun.)

But despite Russell's colourful antics on and off the set, Fellini remains the grander visionary of the two. And *Fellini Satyricon*, his last undoubted masterwork, is now issued by Warner Home Video. Glorious colour reproduction and no cowardly retreat into English dubbing make this an outstanding video. Fellini has turned Petronius's fable of love, lust and Epicureanism in ancient Rome into a series of dazzling multicoloured frescoes that have the logic of a dream.

We flit about between oneiric locations — an underground city, a sunset desert, a bursting banquet, a misty patrician villa — and meet outsize characters garbed in outsize clothes and speeches. The sets and costumes are champagne to the senses, and unlike Signor F's later movie libations—*City of Women* or *The Ship Sails on*—*Satyricon* has a beautiful dramatic line and continuity.

In *Casanova* (CBS/Fox) Fellini's talent was already on the down-turn; but the decorative invention piled up round Donald Sutherland's performance is still worth enjoying. I've long remembered—rather more vividly than the film itself—a visit to Rome's Cinecitta Studios, almost a year after the movie's completion where I found Fellini's loony sets and monumental masonry still lying about a beached Atlantis. There was a 20-ft high carnival head sitting in the middle of a lake.

There was a huge weather-nibbled tower, a decaying coach, a crumbling Venetian bridge. Like the absurd sea-monsters that are regularly dredged up from the deep in Fellini's films—in *La Dolce Vita* or *Satyricon*—one marvelled alike at the senselessness and magnificence of the scene.

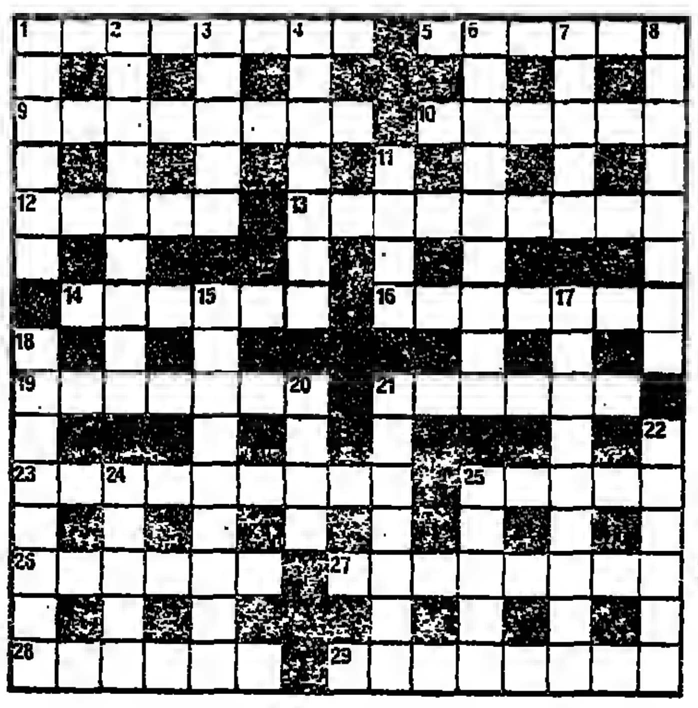
With Ken Russell senselessness often, and concussingly, upstages magnificence. Normal healthy people have been known to come out of a Russell movie seeking support from the nearest lamp-post. Many of us wonder what happened to the gifted lad who used to crank out infallibly vivid and cogent biopics on the TV. (Remember those in Isadora Duncan, Bartok and Delius?) The answer is of course that the lad began to believe in his own infallibility. There are still streaks of brilliance in *The Devils* and *The Music Lovers* (both Warner Home Video) and in *Mahler* (Guild Home Video), but they're wrapped up in a reckless and indigestible *impasto* of melodrama, vaudeville and hyperbole.

The biggest folly of all is *Lisztomania* (Warners). Roger Daltrey plays the Hungarian composer and piano virtuoso with jumping jack élan as if he has just escaped from a home for epileptic pop stars. (In Russell's films artistic genius is all too often identified with, or symbolised by, a tendency to flail around as if choreographed by St Vitus.) And not much better are the movie's phallic sets and Bacchanalian production numbers.

If you must have Russell, why not take *Altered States*? Here the director's urge to explore narrative into kaleidoscopic fragments—which is essentially Fellini's method also—finds effective release in some superb hallucination sequences and a gripping Sci-Fi narrative.

As in all their videos, Warners set a high standard for colour fidelity and definition and do their best to "scan" the movie so that the cropped sides cause minimum damage. Other companies, especially in the more maverick reaches of the market, please note and imitate.

F.T. CROSSWORD PUZZLE No. 5,357



A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....

Diagonally from the fourth square across (12) and the fourth square down (4, 2, 6) are solutions to the clue "Cathedral." The former's nickname (4) and the latter's conclusion (4) are the anagrammatical linking diagonals.

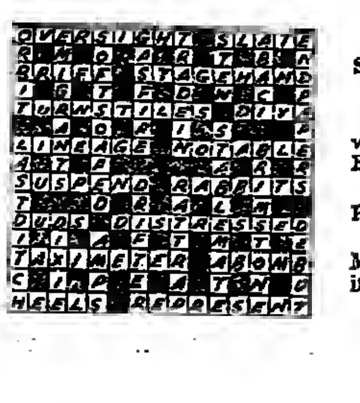
ACROSS

1 Monk wept for part of Brighton (4, 4)
5 Maintenance more expensive on part of castle (6)
9 In an island it puts galls on briers (8)
10 Star I found in shrine (6)
12 Close quarters round in the orchestra (5)
13 Flotsam for Edwin, if twice defrosted inside (9)
14 Access, of course (6)
16 By this method spending is preserving (7)
19 See mother about poor Faust: even if he's not christened, he —— name! (7)
21 Meeting in silence is easy (6)
23 Get two pounds back before rain—it will often stop (4,5)
25 Headless hog eaten by insect in the shade (5)
26 Cardinal's inverted ill-feeling (6)
27 Produce saws from a rosehip (8)
28 Economy in the garden? (6)
29 Philately freak—break shell with foot? (5, 3)

DOWN

1 Drink's an awful risk before church (6)
2 Heath's writing about Shakespearean hero, end first (9)
3 Welsh saint made to lie (5)
4 Try to induce the West to listen to the French (7)
6 Our top little Liberal or top Communist organisation (9)
7 Inspiration of love poet in liberator (5)
8 Dad's a beast about archaeology, for example (8)
11 Writers of consequence if his? (4)
15 Severely criticise complaint with Yorkshire (5, 4)
17 Home teaching is a source of knowledge (9)
16 Very successful attempt at breakage? (5, 3)
20 Down with sailor, like (1, 3)
21 Dark piece of light (3-4)
22 It's advisable to keep a man in order (6)
24 Beast of higher temperature (5)
25 Flower takes road from carpet (5)

Solution to Puzzle No. 5,356



SOLUTION AND WINNERS OF PUZZLE No. 5,352

Mrs W. Morrison, 21 Monkswood Court, Kilgraston Road, Edinburgh.

Mrs V. A. Care, 6 Myrtlefield Park, Belfast, Northern Ireland.

Mrs D. K. Freeland, Black Mill, Middle Road, Ore, Hastings, East Sussex.

† Indicates programme in black and white

BBC 1

8.35 am Godzilla in "Island of the Lost Ship" 9.00 Saturday Superstore. 11.57 pm Weather.
12.00 Grandstand, including 12.20 News, Football Focus (12.05); Racing from Newbury and Haydock (12.25); Rugby Union (1.55): France v England from Parc des Princes, Paris, and 3.50 Ireland v Scotland from Lansdowne Road, Dublin; Final Score (4.40).
5.05 News.
5.15 Regional News.
5.20 The Rod and Emu Show.
5.55 Jim'll Fix It.
6.30 The Laughter Show.
7.05 The Action Film: "Butch Cassidy and the Sundance Kid" starring Paul Newman and Robert Redford.
8.50 News and Sport.
9.05 Driving Ambition.
9.55 Wogan.
10.45 Match of the Day.
11.35 Late Night Horror: "Superbeast" starring Antoinette Bower and Craig Littler.

REGIONAL VARIATIONS:

Wales—12.05-5.05 Grandstand. 1.55 Club Rugby. 2.15 Dave Loveridge Interview. 2.30 Rugby Preview. 2.50 Rugby Union Ireland v Scotland and at 4.25 highlights of France v England at Parc des Princes, Paris. 5.15-5.20 Sports News Wales.

Scotland—12.00-5.05 pm Grandstand. 12.25 Racing from Newbury and Haydock (as BBC1) plus Newbury 2.00 and Haydock 2.15. 2.50 Rugby Union: Ireland v Scotland and at 4.25 highlights from the match earlier this afternoon between France and England 4.40 Final Score (as BBC1). 5.15-5.20 Scoreboard. 10.45-11.35 Sportscene.

Northern Ireland—12.00-4.55 Grandstand (as BBC Scotland above). 4.55-5.05 Northern Ireland results (opt-out from Final Score on Grandstand). 5.15-5.20 pm Northern Ireland News 1.05 am Northern Ireland News Headlines.

England—5.15-5.20 pm London—Sport: South West (Plymouth)—Spotlight Sport: All other English Regions—Sport/Regional News.

BBC 2

6.25 am Open University.
3.20 pm Stars of the Silent Screen: Lon Chaney in "The Hunchback of Notre Dame" (specially tinted version with organ soundtrack).
†4.50 Saturday Cinema: "Three Secrets" starring Eleanor Parker, Patricia Neal and Ruth Roman.
6.25 Modern Art: Seurat.
6.50 Sight and Sound in Concert.
7.30 News and Sport.
7.45 Arena Special: Sunset People.
9.35 The Light of Experience Revisited.
9.55 C. P. Snow's Strangers and Brothers."
10.45 News On Two.
10.50-12.25 am Claude Chabrol's "Le Boucher" starring Stephane Audran and Jean Yanne (A French film with English subtitles).

LONDON

9.25 LWT Information. 9.30 Sesame Street. 10.30 The Saturday Show.
12.15 pm World of Sport: 12.20 Motor Racing—Miami Grand Prix; 12.35 Ice Speedway—World Individual championship Final from Lenin Stadium, Moscow; 12.45 News; 12.50 On the Ball; 1.20 Boxing — the Undisputed Light-Heavyweight Championship of the World from the Resorts International Hotel, Atlantic City, New Jersey; 1.45 Greyhound Racing from Wembley; 2.00 Snooker — Yamaha Keyboards International Masters from the Assembly Rooms, Derby; 2.40 Greyhound Racing followed by Golden Spurs Competition Results; 2.55 Snooker from Derby; 3.45 Half-time Soccer Round-up; 4.00 Snooker; 4.35 Athletics — European Indoor Championships from Gothenburg, Sweden; 4.45 Results.
5.00 News.
5.05 Fraggle Rock.
5.35 The Fall Guy.
6.30 Child's Play.
7.00 3-2-1.
8.00 T. J. Hooker.
9.00 News
9.15 "McQ" starring John Wayne.
11.15 Snooker — the Yamaha Keyboards International.
12.15 am London News Headlines followed by Best of Saturday Night Live and Night Thoughts with Rev Allan G. Scott.

CHANNEL 4

1.55 pm Make It Pay.
†2.20 "Julius Caesar" starring Marlon Brando as Mark Anthony, James Mason as Brutus and John Gielgud as Cassius.
4.35 Mama Malone.
5.05 Brookside.
6.00 No Problem!
6.30 The Other Side of the Tracks.
7.30 News Headlines followed by Union World.
8.00 Twenty Twenty Vision.
8.30 Just What Is It . . .
9.30 The Avengers.
10.30 The Comic Strip Presents.
†11.05 "The Thin Man" starring William Powell and Myrna Loy.

S4C WALES

1.20 pm A Week In Politics. 2.00 Basketball. 2.55 Rygbi Rhyngwladol. †4.30 The Three Stooges. 5.05 Yr awr Fawr. 6.05 The Incredible Hulk. 7.00 Sat. 7.30 Newyddion. 7.45 Siwme Odal 8.25 Treasure Hunt. 9.25 Y Maes Chwarae. 10.15 Arolwg. 10.45 Dream Stuffing. 11.15 Feature Film: The Four Just Men.

REGIONS

IBA Regions as London except at the following times:

ANGLIA

9.35 am Vicky the Viking. 10.05 Stingray. 5.35 pm Knight Rider. 12.15 am At the End of the Day.

CENTRAL

9.25 am The Wonderful World of Professor Kitzel. 9.30 Sesame Street. 5.35 pm Knight Rider.

GRAMPIAN

9.25 am Noddy. 9.45 The Smurfs. 5.35 pm Knight Rider. 12.15 am Reflections — In Gaelic, with Iss Caird, of Dundee.

GRANADA

9.25 am Sesame Street. 10.20 Cartoon. 5.35 pm Knight Rider. 12.15 am Thriller, Spell of Evil.

HTV

9.25 am Sesame Street. 10.25 Cartoon Time. 12.13 pm HTV News. 5.35 Knight Rider.

SCOTTISH

9.25 am Cartoon Time. 9.35 Happy Days. 10.00 The Flying Kiwi. 10.25 The Adventures of the Mouse on Mars. 5.35 pm Knight Rider. 12.15 am Late Call

TSW

9.25 am The Wonderful Stories of Professor Kitzel. 9.30 Freeze Frame. 10.27 Gus Honeybun's Magic Birthdays. 12.12 pm TSW Regional News. 5.05 Newsport. 5.10 Fraggle Rock. 5.40 Knight Rider. 12.15 am Postscript. 12.20 South West Weather and Shipping Forecast.

TVS

9.25 am Watoo, Watoo. 9.35 The Smurfs. 10.00 Mork and Mindy. 12.12 pm TVS Weather. 5.35 Knight Rider. 12.15 am Company.

TYNE TEES

9.25 am Morning Glory. 9.30 Sport Billy. 9.55 The Flying Kiwi. 10.25 TT Time. 12.13 pm North East News. 5.03 North East News. 5.07 Fraggle Rock. 5.40 Knight Rider. 12.15 am Poet's Corner.

ULSTER

9.25 am Space 1999. 10.20 Cartoon Time. 12.48 pm Lunchtime News. 4.55 Ulster Sports Results. 5.00 Ulster News. 5.10 Fraggle Rock. 5.40 Knight Rider. 9.14 Ulster Weather. 12.15 am News at Bedtime.

YORKSHIRE

9.25 am Regional Weather Forecast, followed by Molateens. 9.35 The Flying Kiwi. 10.00 University Challenge. 5.35 Knight Rider. 12.15 am House Calls

RADIO

(S) Stereo broadcast

8.00 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.00 pm Rockville USA (S). 2.00 Paul Gambaccini (S). 4.00 Saturday Live (S). 6.20 In Concert, featuring Rock Goddess (S). 6.50 Sight and Sound in Concert, featuring Nena (S). (A simultaneous broadcast with BB 2). 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2

6.00 am Sheila Tracy (S). 8.05 David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm Bernie Clifton's Comedy Shop. 1.30 Sport on 2: Rugby—The Five Nations' Championships, Scotland v. Ireland in Dublin and England v France in Paris. Cricket: The First Test. Reports from Karachi on England v Pakistan: Racing from Haydock at 1.45: 5.00 Sports Report. 5.45 Racing Results: 5.50 Pools news, results. 6.00 Folk on 2 with Jim Lloyd. 7.00 Jazz Score with chairman Benny Green. 7.30 The Strauss Family (S). 9.30 Big Band Special (S). 10.05 Saturday Rendezvous (S). 11.00 Glen Bruce (S). 1.00 am Jean Challis presents Nightride (S). 3.00-4.00 Wally Whyton (S).

RADIO 3

8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.00 Robert Mayer Concert (S). 12.15 pm Piano Recital (S). 1.00 News. 1.05 Les Lullistes (S). 2.00 Dreamers of Dreams (S). 4.00 Nash Ensemble (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Nicholas Danby (S). 7.15 25 August 1983, by Jorge Luis Borges (S). 7.30 BBC Welsh Symphony Orchestra from St David's Hall, Cardiff. Part 1: Daniel Jones, Grieg (S). 8.25 City Faces, Mark Girouard talks about the architecture of cities. 8.45 Concert, Part 2: Tchaikovsky (S). 9.35 Russian Service by Zinovy Zinik. 9.55 Three Choirs' Concert (S). 11.15-11.18 News.

RADIO 4

7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's a Bargain with Norman Tozer. 7.55 Weather: Travel; Programme News. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 Yesterday in Parliament. 8.57 Weather; Travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.27 pm The News Quiz (S). 12.55 Weather. 1.00 News. 1.10 Any Questions? from Leeds. 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty-Minute Theatre (S). 2.35 Medicine Now. 3.05 Wildlife. 3.30 Humming In. 4.00 News; Radio News Special Report. 4.30 Does He Take Sugar? 5.00 The Chip Shop (S). 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather; Travel; Programme News. 6.00 News; Sports Round-Up. 6.25 Desert Island Discs (S). 7.05 Stop The Week with Robert Robinson (S). 7.45 Baker's Dozen with Richard Baker (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.12 A Town Called Davis with Margaret Horsfield. 11.00 Lighten Our Darkness. 11.12 Animal Language (S). 11.45 A Sideways Look At . . . by Anthony Smith. 12.00 News.

RADIO LONDON

7.32 am Good Fishing. 8.04 London Today. 9.03 The Way It Was. 9.30 Corridors of Power: "Lobby." 10.02 All That Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.00 Guideline. 6.30 Evening Star. 7.30 Hold the Front Page. 8.00 Eastern Eye. 9.30 Good Fishing. 10.00 As Radio 1. 12.00-5.00 am As Radio 2.

LONDON BROADCASTING

7.00 am AM with Peter Deeley. 10.00 Clive Bull's Fix-It Phone-In. 1.00 pm Sportswatch with Jeff Sterling and Geoff Clark. 3.00 Des Fahy Reports. 7.00 Geet Mala with Suresh Joshi. 9.00 Network: A Profile of Lionel Bart, the man and his music. 10.00 Adrian Love's Nightline. 1.00 am Steve Allen's Night Extra. 4.00 Decision Makers.

CAPITAL RADIO

7.00 am The Breakfast Show. 10.00 Pick of the Pops — Take Two. 12.00 Love Song Saturday. 2.00 pm Afternoon Delight. 5.00 Gary Crowley's Magic Box. 7.00 Greg Edwards' Soul Show. 9.00 Fools Rockers. 11.00 Foreign Affair. 12.00 Midnight Special.

CHESS SOLUTIONS

Solution to Position No. 505

1 N-N3, P-N5; 2 K-R5! and Lasker resigned. If 2 . . . KxP; 3 N-Q4 ch, K-K5; 4 NxP, K-Q6; 5 NxP ch, K-B6; 6 N-B2! KxN; 7 P-R4 wins.

Solution to Problem No. 505

1 N-B8, K-B4 or K4; 2 N-Q7 ch, K-Q4; 3 K-Q2, K-Q5; 4 R-Q6 mate.

LEGAL NOTICES

No. 001221 of 1984
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
MR REGISTRAR BRADBURN

IN THE MATTER OF
VIC HALLAM PLC
AND IN THE MATTER OF
THE COMPANIES ACT, 1948

NOTICE IS HEREBY GIVEN that by an order dated the 24th February 1984 made in the above matters the Court has directed a Meeting of the holders of the 5.8 per cent. Redeemable Cumulative Preference Shares of the above-named Company (hereinafter called "the Company") (other than those beneficially owned by May & Hassell PLC) to be convened for the purpose of considering and if thought fit approving (with or without modification) a Scheme of Arrangement proposed to be made between the Company and the holders of its said Shares (other than aforesaid) and that such Meeting will be held at Valley Works, Langley Mill, Nottingham on Monday the 26th March 1984 at 3 o'clock in the afternoon at which place and time all such Shareholders (other than aforesaid) are requested to attend.

Any person entitled to attend the said Meeting can obtain copies of the said Scheme of Arrangement forms of proxy and copies of the Statement required to be furnished pursuant to Section 207 of the above-mentioned Act from the Registrars of the Company Barclays Bank PLC, Registration Department, Radbroke Hall, Knutsford, Cheshire, WA16 9EU and at the office of the undermentioned Solicitors at the address mentioned below during the usual business hours on any day (other than a Saturday or a Sunday) prior to the day appointed for the said Meeting.

The said Shareholders may vote in person at the said Meeting or they may appoint another person whether a Member of the Company or not as their Proxy to attend and vote in their stead.

It is requested that forms appointing proxies be lodged with the Registrars of the Company, Barclays Bank PLC, Registration Department, Radbroke Hall, Knutsford, Cheshire, WA16 9EU not less than 48 hours before the time appointed for the said Meeting but if forms are not so lodged they may be handed to the Chairman at the said Meeting.

In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

By the said Order the Court has appointed John Henry Gregg Atley or failing him Dennis John Raby or failing him John Yorke Holloway to act as Chairman at the said Meeting and has directed the Chairman to report the result thereof to the Court.

The said Scheme of Arrangement will be subject to the subsequent approval of the Court.

Dated the 1st day of March 1984.
SLAUGHTER AND MAY,
35 Basinghall Street,
London EC2V 5DB.
Solicitors for the Company.
Ref: RCH/LIT/BLH.

COLLECTING

This sale was the cat's whisker

BY JANET MARSH

CHRISTIE'S South Kensington saleroom made a small piece of auction history on Thursday, with the first sale devoted entirely to early wireless equipment. The 179 lots in the sale were described as the Ritman Collection: I take it that Mr Ritman is a professional dealer, since all the lots were marked in the catalogue as being subject to VAT.

I have a good deal of fellow feeling for Mr Ritman, and for all those who bought at his sale, since around 15 years ago I decided that wirelesses were the thing to collect.

It was then a wide-open field. Crystal sets and early radios could be had in small-town auctions for a few pence and a certain amount of embarrassment: you had usually to run the gauntlet of derisive smiles as you bore off your prize with its fretted mahogany case and huge valves, encrusted in layers of dust.

After a few years enthusiasm wilted however. Old wirelesses take up an awful lot of space, and few of them are aesthetically pleasing. Trying to pass on the collection, I discovered the penalties of being a pioneer.

The young gentlemen at Sotheby's Belgravia, having only just elected themselves experts in phonographs and polyphons, looked askance at my Amplions and GecoPhones and B.T.-H.s.

They (the wirelesses) were consigned once more to the derision and pence of the local auction. I hope that some of them found their way to Mr Ritman's collection and the dignity of this week's sale.

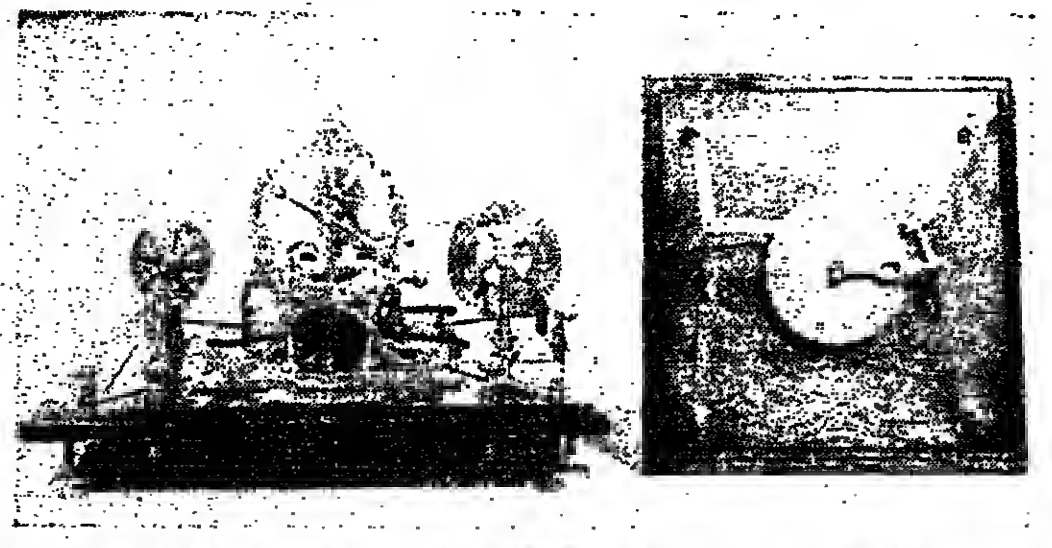
The collector is unlikely to find any apparatus dating back more than 80 years. Before that, following Clerk Maxwell's pronouncement of his "dynamical theory of the electro-magnetic field," work on wireless transmission was confined to the laboratory. It was Marconi, late in the 1890s, who made wireless a practical means of communication.

Marconi had a Latin's sense of drama, and well-publicised demonstrations of his successive developments of wireless compelled world-wide attention. In 1896 he transmitted signals for four miles on Salisbury Plain.

The following year he had increased the distance to 12 miles, at sea. For the British Naval Manoeuvrea of 1898, collaborating with the Post Office, he linked ships 60 miles apart. His greatest triumph came however in December 1901 when he transmitted wireless signals across the Atlantic, from Cornwall to St Johns.

The next major steps in wireless were the invention of the thermionic valve hy Fleming in 1904 and the triode valve hy Lee de Forest in 1907. World War One, inevitably, was a great stimulus to research, in all the embattled countries. Examples of field transmitters dating from the end of the war in the Ritman Collection are remarkably sophisticated in technique and construction.

Radio transmission of sound soon followed. By 1915 transatlantic radio telephone tests were made. The age of broadcasting began in 1920, when a wireless "concert" was given at the Marconi Works in Chelmsford, and Dame Nellie Melba became the first vocal celebrity to face a microphone.



A telegraph sender and receiver with brass mechanism which fetched £1,600 last Thursday

Two years later the Marconi company began regular weekly concerta broadcaat from Writtle. The interest in these was so great that the Postmaster General was asked to provide a regular broadcasting service; and so in November 1922 (two years after regular public hroadcasting had begun in the U.S.) the British Broadcasting Company, as it then was, was born.

The whirlwind development in the design and manufacture of wireless equipment during the next decade can only he compared to the current computer boom; and the great variety of receivers and accessories from this period are the collector's dream—and nightmare.

To find his way through the overgrowth, he will alsn need to become a collectnr of the proliferating literature nf the period, including manufacturers' catalogues, magazines, and above all the invaluahle *Pitman's Radio Yeor Book* which was published from 1923 to 1927 when it was superceded by the *BBC Handbook*, which has continued annually to this day.

The yearbooks provide not only a guide to the fast-changing design of wireless equipment, but also fascinating insights into attitudes of the time.

As late as 1928 the *BBC Handbook* found it necesary to reassure listeners that there was little or no danger in listening to the radio. The public had just been gravely alarmed by the first wireless fatality; the unfortunate victim, a lady, had somehow achieved a lethal combination of crystal set, faulty electric light, metal earphones and steel-rimmed spectacles.

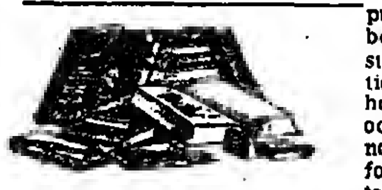
Setbacks like this however could not deter the intrepid wireless explorers — broadcasters and listeners alike — of the twenties. There were brnadcasts from the zoo, from a moving train, from a statinnary airplane, from the London theatres and from the Surrey wonds, where Miss Beatrice Harrison played the cello in a not-too-successful effort to encourage the reticent nightingale.

In May 1925 the BBC's 2LO studio relayed an auction from Christies; and later in the year broadcast half an hour of laughter at a performance of Charlie Chaplin's *The Gold Rush*. The sad thing about collectiog old wireless sets is that they don't come with their original broadcasts.

If Britain was behind America in radio, we at least had the first regular television service in the world, inaugurated by the BBC in 1936. Ten years before, John Logie Baird had unwisely prophesied that "televisors will be on sole before the end of the ensuing year."

He was wrong; and moreover his mechanical system of television was to he abandoned by the BBC within a few months of the inception of television. Even so, Baird had the satisfaction of marketing the first commercial receiver; and a Baird Televisor — perhaps the chief prize for any collector of wireless and television equipment — was the star item of the Ritman colection this week and made £2,400.

Making small profits do great things



BOOKS

WILLIAM ST. CLAIR

LACKINGTON STREET is one of the few in London to be named after a bookseller. Close to Finsbury Square, you may visit it inadvertently one evening on your way to the theatre as you drive about trying to avoid the Barbican Centre official car-park.

The name is all that remains of James Lackington's "Temple of the Muses," a fine building which stood on the site in the early years of last century, proclaiming itself invitingly above its imposing portals "Cheapest Booksellers in the World." Inside was a circular counter, and a selling space so broad that Lackington arranged for the Exeter stage-coach with its six horses to be driven round on opening day as an advertisement. Upstairs were extensive lounging rooms where the half-million books which he said were always on sale could be browsed in comfort.

In an age when the rich seldom paid their bills on time or in full (if they deigned to pay them at all) Lackington determined early in his career never to give credit. All transactions over the counter were strictly cash, and when books were ordered, his porters were instructed to bring them straight back if ready money was not forthcoming on the doorstep.

At the same time, by issuing his own trade tokens which might pass through many hands before being presented in his shop, he created costless credit for his own operations.

The business was built on high turnover and narrow margins. By buying new books in bulk and offering them cheap, he found markets unknown to his competitors. (The custom at the time was to burn excess stocks in nrder to create scarcity and maintain prices.) With antiquarian and second-hand books also, Lackington discovered that he could provide better quality at lower prices; and at the same time pay more for his stock. He was accordingly much disliked.

His eccentric and opinionated autobiography, "Memoirs of the Forty-Five First Years of James Lackington" is an amazing story of how a shoemaker's apprentice became rich. First published in 1791, it is full of interesting observations on the spectacular growth in reading habits which he had witnessed as well as illustrating his successful business philosophy. When he could afford a carriage, he painted a motto on its doors, SMALL PROFITS DO GREAT THINGS as a perpetual reminder of the source of his prosperity and a warning against backsliding.

I saw a fine copy of the book recently with the Temple of the Muses imprint for £45, but there were cheaper editions which can be obtained for considerably less. It is not an uncommon book. My own copy claims tn be the 13th edition. All should contain the engraved portrait of the well-dressed gentleman who, as the inscription below immodestly records, "a few years since began businesa with five pounds and now sells one hundred thousand volumes yearly."

The firm was also a major puhlishing house, producing books on a great variety of subjects. Lackington was particularly keen on almanacks, hooks of prophecy, and the occult, and these steady sellers no doubt helped to finance his forays into literature and history. Not much loved then or since, they were readily thrown away and are now seldom seen.

Not long ago I looked over the accounts for *Frankenstein*, first published in three volumes in 1818 and perhaps the firm's most famous imprint. By then the founder had died and they were trading under the name of Lackington, Hughes, Harding, Mavor and Jones, but tight cost control was evidently still being maintained. They originally proposed to Shelley, who was acting for his wife Mary, to publish the novel as a favour at no cost to the author, and in negotiations were only reluctantly persuaded to yield a one-third share of the profits after all expenses had been met. An edition of 500 copies was then produced at a cost of £115, including printing, paper and advertising (items which at that time cost roughly the same) and it made a profit of £125. The contract made no mention of movie rights.

Before he moved to the Temple of the Muses, Lackington's shop was in nearby Chiswell Street, on the other side of Moorgate, which—I believe — commemorates the 17th century printer of that name. Theatre-goers can usually find a parking space there if they are early enough.

But do not be tempted into the adjoining Milton Street which, notoriously, leads nowhere and is very difficult to get out of. Grub Street, the official name by which it was known until genteely redeemed many years ago, formerly ran right through the area of the present Barbican to the authors' church of St Giles, Cripplegate. In Lackington's day it was still unpaved and filthy, and well supplied with the dead dogs and cats which our ancestors left around for use at public meetings.

Today no garrets remain, or a few could be refurbished as a tourist attraction, complete with manuscripts of rejected masterpieces, letters from contemptuous patrons, hottles of laudanum, phials of prussic acid, and other memorabilla associated with the sub-literary life.

Begonias spread their wings like angels

GARDENING

ARTHUR HELLYER

IT IS during the next few weeks that begonia tubers should be purchased or removed from store and started into growth and that seedlings of Begonia semperflorens should be obtained from those seed firms that offer them ready for pricking off into seed trays or pans.

The begonia tubers sold in shops and garden centres are mainly of Belgian origin and will give either medium size flowers if they are of the ordinary tuberous rooted type or smaller but more numerous flowers if they are of the Multiflora type.

These are ideal for planting outdoors in early June provided they are, by then, sturdy young plants each with several well developed leaves and perhaps a few flower buds but however well grown they are they will not be able to produce the mammoth flowers we are accustomed to see at flower shows.

These come from named, that is specially selected, varieties which are increased vegetatively unlike the Belgian tubers which have been raised from seed.

Because of this relatively slow method of increase, these large flowered varieties are much more expensive though actual price will differ considerably according to the quality and newness of the variety. Those who have never grown tuberous rooted begonias before might be well advised to gain experience with the cheaper tubers and graduate to the more expensive kinds when they feel confident that they can grow them well.

Not that tuberous begonias are difficult to grow. They do nnt need a lot of heat and are happiest in a temperature around 65 degs F. In greenhouses they will need a little shade in the summer but outdoors they can be grown in full sun provided they are not allowed to dry out.

They grow well in all the commonly available soil or peat-based potting composts, something in the nature of John Innes No 2 being ideal.

But to start the tubers growing in March or early April you do not require any soil at all. It is only necessary to bed the tubers, right way up, in a tray filled with moist peat and keep them in a temperature which never falls below 50F and by day is around 65F.

Only when the tubers have made some roots and two or three small leaves should they be potted singly in a proper potting compost containing plenty of plant food.

Thereafter it is a matter of keeping the compost nicely moist, maintaining a summery temperature and, after four or five weeks, adding a little liquid feed to the water once a week, a precaution especially necessary with peat composts which run out of available food quite quickly.

From early June until late September the begonias, especially the smaller flowered ones, will be quite happy out of doors and this applies equally to the pendulous varieties which look best grown in hanging baskets to be suspended either from the greenhouse rafters or in suitably sheltered places outdoors.

An alternative way to grow them is in large pots or urns over the sides of which they can trail.

The tuberous rooted begonias and the small flowered fibrous rooted Begonia semperflorens varieties, which are now almost invariably grown from seed though they are perenoial, are far and away the best known and most widely grown kinds in Britain but that is not so in America where it is the cane stemmed or angel wing begonias that are most popular. In an excellent new book from America, *Growing Begonias* (Croome Helm £8.95), the author, Eric Catterall, quotes the editor of The Begonian as saying that these begonias are "almost as American as mom and apple pie—nearly every rural grandmother had—indeed has—an angel wing begonia."

This popular name refers to the characteristic shape of leaves of these begonias but there are numerous different kinds and equally numerous differences in the precise shape, size and colouring of the leaves.

All these begonias have fibrous roots and they are not completely dormant at any time nf the year. The flowers are fairly small and single but often produced in fine clusters so that they are very handsome in bloom as well as being excellent foliage plants.

Mr Catterall says they require plenty of sunlight and that they respond better than most begonias to a heavier type of soil compost and a regular feeding programme.

Most are quite tall, some as much as six feet, and so they are likely to require canes or other means of support. Unfortunately, though they may be seen in many publicly owned glasshouses, they are seldom offered by nurserymen.

Lucerna, a variety with sprays of rose pink flowers and leaves that are green spotted with silver on top and purplish red beneath, is the most likely to be available. My own favourite is B. manicata with very large sprays of small pink flowers in spring.

Another group of begonias produces rhizomes, i.e. thick stems lying on or standing up from the soil. The well known Rex begonias with large angel wing leves that are richly and variously coloured are of this kind and, unlike the cane stemmed begonias, they require no support and will grow in quite low light intensities.

For years I had them under the greenhouse staging but I think this was overdoing the shade a little. But one advantage in such a place is that it almost ensures the high humidity which Rex begonias like. Mr Catterall agrees with this but adds the warning that high humidity must be accompanied by warm conditions (65-70F) and good air circulation to avoid attacks by powdery mildew. He also notes that the kind known as Iron Cross because of the shape of the black marking on each green leaf is particularly susceptible to fungal infections. This is not really a Rex begonia but a distinct species hotanically named Begonia masonorum.

Although Begonia semperflorens is almost always grown as a half hardy annual renewed each year from seed sown in late winter or spring it is as good as perennial as any of the others. It is fibrous rooted with no tubers or even rhizomes to keep it going when water is scarce or temperatures are low so, if grown in pots in the greenhouse or a room it must he watered all the year and the temperature should always be 55 degs F or more.

There are some varieties, such as Kalinka, that are taller and have larger flowers and there are even a few varieties with double flowers though these are seldom seen. All these semperflorins varieties are easier to manage as winter flowering plants than Gloire de Lorraina and its type which require higher temperatures and flower only in winter.

SPORT

After the Soccer defeat ... **Peter Robbins** on today's Rugby international in Paris

A double for the French

ENGLAND'S RUGBY players enact the next stage of their rehabilition in Paris today, where they play the much-fancied French side. Winterbottom has been brought back in place of Cooke.

It cao be said, therefore, that the selectors bave either kept their nerve, been loyal to a successful side or have remaioed obdurate in the face of certain evidence.

In common with others, I was delighted to see a wider game played against Ireland aod it really was a thrill and a pleasure to see the England threequartrs actually trying to spin the ball. This was purposeful, whereas any central handling against Scotland was accidental.

Young's service was not always quick and accurate at Twickenham, and agaiost Joinel, Rives, and Erbani, the French back row, this could he fatal for Cusworth, who likes space and time. *He will not have that luxury today.*

Equally, if either Cusworth or Youngs kick poorly or hurriedly, the consequences of swift French counter-attack through Blanco could be disastrous.

What was disturbing about England's back play against Ireland was the poor technique used in many of the passes. Woodward, a player whose flair and attitudes I have long admired, was particularly wayward.

It could be that he and Barley outside Cusworth are all too far apart, so that the giver nf the pass has to float the ball too much and the taker is nften left groping at varying heights. Barley bad a good debut, except for one gros smisjudgment in timing a pass, but everyooe is allowed the odd mistake and he looks set for a long international career.

Underwood passed up a splendid chance in the first balf, but Carleton indicated that he is just about the best wing in the four *home counties*. He and the others face an uphill task against Gallion and Co, both in breaching the French defence with Hare in the line and against the light cover.

Conversely, Eogland's own three-quarter defence, especially that of Cusworth and Underwood, needs tightening, and all the backs must be clear as to what to do when France introduces an overlapping player, as they certainly will do.

England were good in the scrum against Ireland, and *Blakeway* destroyed Orr and Fitzgerald with some ease. The French, equally outplayed in this phase by Wales, have brought back the experienced Dosipal. I would expect England to concentrate heavily on the set scrum, which is a phase the French have never really liked or even considered, as very essential.

Colclough had a lethargic game in the line-out against the Irish, aod Baiohridge did not retain the possession he won. Lenihan had a field-day against them hoth, and so it could he England's turn to dominate that particular sphere, at least in the middle.

The vital area will he at the back of the line-out, where Scott renews a long-standing battle with Joinel. If Scott can neutralise the brilliant French No 8, then that will suffice as his contribution.

Englaud will need little reminding of how lethal Lescarboura can be, with his kicking, and will need to be exteremely disciplined anywhere in their own half. I anticipate a great game, certainly a great struggle, and, although emotionally I would dearly love tn put money on Eoglaod, rationale dictatea that France, because of the greater talent of their back lioe, will win.

Scotlaod go to Dublin to play for the Triple Crown. Ireland receive them, hoping to prevent the ignominy of a whitewash. Scotland have the pedigree to win, and the only apparent factor that will impede them from taking the glittering prize will be tension.

The Scottish hacks should win the game, hut Ireland will give tbem a good run.

On the club front, we are down to the last eight in the Jahn Player Cup, with some intriguing matches to be played on March 10. I mentioned Bath as outsiders back in January, but now they must be co-favour*ites with Bristol*.

What is so uplifting is that so many tries are being scored and Bristol's exposition against the London Welsh was exhilarating. They should beat Waterloo, but the tie of the round is Bath agaiost Wasps.

Wasps have had a tough passage so far, and, in spite of my profound respect for their coach, Alan Black, and his team, I think Bath are playing irresistably.

Coventry have a struggle against the Harlequins, but the Midlanders are good Cup fighters and have gone further than I thought. Finally, it is nice to see unfashionable Nottingham still in with a chance.

I would fancy them strongly to beat London Scottish on their own ground.

Trevor Bailey in Paris on Robson's choice

Waiting on the wings

NOBODY SHOULD be surprised by France's convincing 2—0 victory over the England Soccer team in Paris on Wednesday. After all, the French could win the European Nations' Cup this summer, whereas England failed to qualify.

Our defeat simply underlined two of the many problems confrooting Bohby Robson, England manager, who is attempting to build a side capable of making a serious impact in the next World Cup.

We are short of world-class footballers. Against France, Shilton and Robson were in that category, and occasionally the enigmatic Hoddle, while the highly promising Williams might develop. However, this trio from our midfield quartet illustrated Robson's other difficulty, finding the most effective system.

All three were used in a slightly different role for for England from the one with their own club. For Manchester United, Robson is one of the two central members of four halves.

Hoddle is usually to be found on the right-band side of the Spurs' midfield, but against France he spent much of the match ahead of his three midfield colleagues, until the substitution of Barnes and Woodcock late in the match.

Williams was used on the left-hand side, but plays on the other flank for Southampton, which is rather like askiog a number four batsman to open the innings.

The other members of the England team, includiog the two sobstitutes, were picked from eight different First Division clubs, all with varying tactical formations. This meant the players, with the possible exception of our two unsophisticated, no-nonsense centre-backs, Roberts and Butcher, sometimes had to think where to move off the ball, or where their colleagues had gone, rather than moving or passing instinctively.

It was especially hard on the two young Luton strikers, Stein and Walsh, who had to rely on a limited service.

A welcome recent trend to be seen in English club football this seasoo has been the increasiog use of genuine attacking wingers.

Southampton employ Wallace to great effect as their winger, while in the past two weeks I have seen three clubs who included two wingers in addition to twin strikers in the middle. Watford had Barnes and Callaghan, Brighton Smillie and Penny, and Chelsea Nevin and Thomas, though Chelsea failed to maximise on their wingers because they continually hunched.

Could it he that after an absence of nearly 20 years genuine wingers will return to the England side? On the evidence of Paris, it could be a wise move.

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Privatising enterprise

THE Chancellor has said it again and again: this is going to be a neutral Budget, taking with one hand what it gives away with the other. The covert reflation of Sir Geoffrey Howe's last Budget will not be repeated, and public borrowing will be put back on its downward path. Meanwhile, the privatisation of public enterprise marches on; the markets will be offered a surfeit of issues of profitable telecommunications, questionable airlines and juicy titbits like Jaguar. You might expect the markets to be behaving like a reveller on Boxing Day, sitting back and groaning a little at the combined effects of indigestion and the prospect of much cold turkey. Yet the markets are doing no such thing; they are getting excited in anticipation of Mr Lawson's dour balancing of the books.

The reason is, of course, that Mr Lawson is getting a lot of advance billing not just as a fiscal conservative, but as a tax radical. He has already moved, with the subtle grace of a demolition man with a sledgehammer, to tax building societies on their gilt dealing profits and subject bank deposit interest to the composite tax deduction the building societies pay. The composite tax is a rotten system, though highly convenient for tax collectors, and the dealing tax has given much offence; but in his insensitive way Mr Lawson has evened out the competition for deposits, and gained a little revenue on the side. The net gain in economic efficiency looks very promising.

Strong market

However, if the Chancellor is really as tough with hallowed special interests as this episode could suggest (a less flattering interpretation is that he tried to do it on the sly), then there are some much bigger targets for his fire. As holders of bank and insurance company shares must be aware, our hallowed and over-protected savings institutions may come next. Again, there is a tempting return to the Exchequer: reducing protection for contractual saving could raise a good £1bn (or £3bn if the harshest alternative is picked), and the Treasury has been eying the banks for years.

One use for such revenue would be to finance income tax cuts in general; but another would be to use the Budget to make direct shareholding more attractive. This is what excites the equity markets, for in every case the result has been a very strong market, even against a dim economic background.

There is a lot to be said for tipping the balance in this way. Most immediate, but least important, it would help to ensure that the coming privatisations will be really private, winding up with the widely held equity the Government wants to see. Secondly, we might get less passive ownership—the Governor of the Bank of England read yet another lecture to the institutions only 10 days ago on their poor performance in spurring and restraining boards of directors.

Monetary control

Most important, though, a further correction in equity values (still very low in real terms compared with the 1960s) might achieve what has only begun to be achieved by reducing Government funding demands: cycling savings into industry.

This development, which might be termed the privatisation of private enterprise, would not only help promising companies to grow, but it would assist monetary control. If companies found it paid to capitalise some of their enormous accumulated debt to the banks, piled up in the last inflationary decade, then the money supply would tend to fall. The Government could stop the absurd business of over-funding—selling gilt-edged to mop up the deposits which finance bank lending, and investing the proceeds in corporate paper. This has piled up a public holding of nearly £12bn in corporate IOUs. This is not only a financial contortionist's act; financing these purchases with long-dated stock costs public money. Instead, the Treasury could live off maturing bills for a spell.

Finally, access to cheaper equity capital would compensate industry for another change we strongly favour, as we argued in an editorial yesterday: a reduction in the tax shelter for spending on new capital equipment. This is a harmful distortion not because we think Britain has "too much" or "too little" capital plant—we would not know how to reach such a judgment—but because a one-sided tax concession of this sort is a distortion.

It encourages companies to buy labour-saving plant beyond what they would buy if it was all their own money, and helps to drive up unemployment. The loss to the taxpayer, who must support the unemployed, is much greater than the gain—if any—in output.

After the initial squeals of protest, the kind of changes we discuss here could prove politically shrewd, too. Mrs Thatcher has been getting a bad press recently—too bossy, maltreating the unions even when they are co-operative, heartless of welfare. She will be more readily forgiven for insisting on economy in comforting the afflicted if she is also seen to be bold in afflicting the comfortable.

TAXING SAVERS

The fuss about the Budget

By Samuel Brittan

MR NIGEL LAWSON'S first Budget on March 13 is expected to contain a great many changes but by now it will be difficult for him to spring much of a surprise.

Although the Budget is expected to be in some sense neutral, there will be plenty of individual tax increases and reductions. Even to say that it will be neutral is somewhat misleading because the Chancellor is expected to cut the Public Sector Borrowing Requirement.

Public sector borrowing in the expiring financial year is likely to be £9½bn. Under the Medium Term Financial Strategy it is supposed to be reduced to £8bn; and the Chancellor is quite likely to want to reduce this further to say £7½bn or £7bn.

He will want to do this partly because of the increasing role of "asset sales" arising from privatisation: These have risen from under £0.5bn in 1982-83 to an estimated £1.2bn in 1983-84 and a forecast £2bn in 1984-85. Many people believe that these sales do not genuinely reduce the Government deficit but just finance it; and Nigel Lawson has admitted that they should not "count one for one."

In addition, the Chancellor would like to show a more rapidly diminishing PSBR to demonstrate his commitment to move from 5 per cent inflation to stable prices. Finally, with economic recovery well under way and growth likely to exceed 3 per cent, there is no argument for giving the economy a stimulus or departing upwards from the planned PSBR path.

The only sense in which the Budget will be neutral is that as the revenue outlook has improved, compared with the gloomy forecasts of last autumn, the Chancellor will be able to reduce the planned PSBR without any net increase in the tax burden. But that does not mean a no-change Budget. Mr Lawson will give with one hand and take with another.

Three faces of Nigel Lawson, Chancellor of the Exchequer — Ashley Ashwood

He has three known objectives. He is personally in favour of raising tax thresholds by more than the 5 per cent required for indexation to take more people out of the poverty and unemployment traps. There are economists who argue that increases in child benefit would be more effective, and an above indexation increase here, too, is an outside possibility.

Secondly there is a strong Conservative lobby to make life easier for the small investor. This points to measures such as abolition or reduction of the investment income surcharge and the stamp duty on security purchases—the latter being in any case indicated by the need to strengthen London's competitive position in the world's securities markets.

There has been much talk how the Chancellor might raise funds for both these objectives. The most certain bet is an above-indexation increase in beer duties (that is a rise of more than 1p per pint) for which there is pressure from the EEC; and there is pressure from the health lobbies for similar action on tobacco.

More speculative ideas include levies on consumer credit and taxes on banking or financial services—this last being more likely as a "Green Paper" than immediate action. One intriguing possibility is forcing importers to pay VAT at the customs point, which might yield £1bn once-for-all for the Treasury.

The third and most complex area is the reduction of distortions in the treatment of savings and investment. At present investments which earn the same real pre-tax return can differ enormously in their net yields; and tax considerations are often more important than appraisal of underlying prospects.

The net effect of these distortions is to favour institutional saving relative to individual share ownership and to penalise less sophisticated savers in the bottom half of the wealth and income distribution table league.

The two most thoroughgoing reforms would be either a comprehensive income tax with no concession for pension funds, home buyers or anyone else; or alternatively an expenditure tax which exempted from tax all net saving—perhaps up to certain limits.

For a mixture of political and fiscal reasons, there is little expectation that either of these will be adopted. Recent decisions to tax building society gilt edged dealings and proposals for the deduction of tax on bank interest at source are examples of more limited moves towards more comparable treatment. Another widely canvassed reform is the abolition of tax relief on new insurance policies.

Desirable though the reform of taxation of personal savings and investment is, it pales into insignificance compared with the much more important need to provide some fiscal stimulus to price people into work—not by "boosting demand" but by changing the structure of business taxation, which at present subsidises capital intensive investment and penalises the use of labour.

The disappointing rise in seasonally adjusted unemployment in January and February and the recent fall in vacancies may reflect problems with seasonal adjustments or the new basis of recording; and they are regarded as a mystery in Whitehall.

But even without taking them at their face value, they have persuaded me that the abolition of the National Insurance Surcharge should at this very last moment be put into the Budget Speech. It should not be the net concession advocated by the CBI, but financed by the corporate sector in other ways, such as the reduction of 100 per cent capital allowances and of stock relief.

Such a self-financing package would demonstrate dramatically that labour is now the surplus factor and labour-saving investment no longer a policy objective. If the Budget does not contain such a package—or if reduced investment allowances are traded for something else else—it will be missing a key ingredient.

WHY THE CITY IS NERVOUS ABOUT TAX CHANGES

BRITAIN'S life assurance salesmen are having a field day because of reports that tax relief on life assurance premiums will be ended in the Budget.

The City is alive with rumours of impending changes in the taxation of savings and investments and two separate actions by the Government have served only to give these rumours added weight.

Nine days ago, without warning, the Inland Revenue announced that it would tax the profits which building societies make from trading in the gilt-edged market. The societies estimate that this change would have doubled their tax bill in 1983. This means that the societies will now be taxed on the same basis as the banks.

Then on Monday, it emerged in Parliament that the Government had proposed that the banks should pay interest to their customers only after deducting tax at a composite rate—as the building societies already do.

Both moves come against the backdrop of intensifying competition between building societies, banks and financial service companies as the barriers between them are being dismantled.

The banks plan to fight the proposal and are worried about being turned into tax collectors for the Inland Revenue. But the scheme has obvious attractions for the Treasury, not least because it will make tax collection more efficient. But no one can yet say for sure how the change will affect the banks or their customers.

Some 85 per cent of societies' depositors pay tax but there are no figures for banks because until now it has not been an issue.

The change in tax treatment does not necessarily mean the banks would start offering exactly the same rates as societies. Historically, they have usually paid less because they offer all sorts of other services as well. But with competition between banks and societies heating up, the gap is bound to narrow.

A second key question concerns the sorts of depositor to whom the scheme will apply. Will foreign residents, companies, partnerships or professional people be included? If the building societies are any guide, the answer is yes.

For non-taxpayers National Savings will now be the only easily accessible savings medium from which they can receive interest without tax first being deducted.

Meanwhile, as a result of the Government's actions, attention has focussed on the tax privileges of life assurance. Of all forms of tax relief on savings, this is the one which is now regarded as the most likely target.

For the next few days sales of life policies can thus be expected to boom. Indeed, a new twist has been added to the common introductory ploy of insurance salesmen when making a "cold call" on a potential

Now the salesmen have started inserting into their patter the possibility that the offer may expire in 10 days.

Their message is given extra force by the unwillingness of the Government to introduce any provision which might be considered retrospective. So that if you take out a policy now, all your premiums for the next 10 years will probably attract tax relief, even if after March 13 no relief is available on new policies.

The most persuasive reasons for the Chancellor to end the tax relief are concerned less with the raising of tax than with rationalising and simplifying the taxation of savings

For many decades, life insurance has had little to do with insurance and much to do with the creation of shelters from the taxman for contractual savings.

Life assurance premium relief has been with us for as long as income tax, since 1799. But no other relief in our tax system has attracted so many abuses, court battles and volumes of anti-avoidance legislation.

The traditional justification for granting tax relief on premiums was that insurance companies had to pay corporation tax on the income they earned for their policy holder. But in fact the tax paid is very low.

In 1982, the companies' gross investment income on ordinary and industrial business was £6,145m but their tax bill amounted to only £368m. This was partly because nearly half their investments were for tax-exempt pension funds. But it was also because they enjoy a special lower rate of corporation tax, are allowed to make generous deductions against tax for expenses and can defer nearly half of their capital gains tax bill.

One effect of these tax privileges has been greatly to increase the share of savings going to life insurance companies. In inflation-adjusted terms, the value of savings held through insurance companies has increased 12-fold in the last 25 years.

This trend has led to pressure on the Government from a variety of sources to remove the bias in favour of investing through institutions. A study undertaken by Mr John Hills, a researcher at the Institute for Fiscal Studies, to be published on Monday, shows that both insurance companies and pension funds have been less willing to hold shares in smaller and more risky companies than have private investors. This has served to increase the costs to those companies of raising capital.

The major insurance companies have warned of the dangers of sudden changes in the Budget. "It would completely disrupt the market. All our literature and all our contracts would have to be torn up and re-written. It would fundamentally change the nature of our business," says Mr Stuart Ruthven of the Life Offices Association.

The LOA also asserts that it has received an undertaking from the Inland Revenue that it will be given 12 months' notice of any change in the rates of Life Assurance Premium relief. This was done in 1980-81 when the rate was reduced from 17½ to 15 per cent of the grossed-up premium.

Clive Wolman and David Lascelles

Letters to the Editor

Rights

From Mr A. Napier

Sir,—The authority of Parliament and the authority and succession of the Sovereign are derived from the Bill of Rights of 1689 (through the Crown and Parliament Recognition Act 1689) which still has written constitutional force.

A major item of the Bill of Rights holds that there shall be no taxation except as enacted by Parliament (Halsbury's "Laws of England," 4th Edition, Volume 8 "Constitutional Law," para 913 and para 1369).

Your leader of February 24 refers to Furniss (Inspector of Taxes) v Dawson in which the House of Lords appears to have set aside this constitutional principle.

Is this the beginning of the undermining of Parliament and the Sovereign, leading perhaps to rule by the common law (ie by judicial whim and fashion)?

Too fanciful? Not to an historian it isn't.

Many people are pressing for another Bill of Rights (including Lord Hailsham in "The Dilemma of Democracy" 1978). Let them start by ensuring that the courts enforce the existing one.

Alec W. Napier
Wrecclesham Grange,
Farnham,
Surrey.

Parliament

From Mr A. Piercy

Sir,—I was astonished to read (February 24) your report of Thursday night's decision by the Inland Revenue:

The Inland Revenue has a duty to collect tax from building societies and others on profits from "trading" in gilt-edged stock. That it has not done so, is a dereliction of duty. That it now intends, apparently, to collect tax from all societies without exception is an attempt to usurp the powers of Parliament. The Chancellor should remind the board of Inland Revenue that tax is imposed by Parliament and not the zealots of Somerset House.

A. Piercy,
1, Fox Close,
Weybridge,
Surrey.

Tax

From Mr V. Kerins

Sir,—The Government has announced (February 28) that it intends to make UK banks withhold tax on payments of interest to personal depositors, as the building societies do at present, and this is expected to come into force in 1985.

In many respects this must be seen as a good move; how many of us have left money on a deposit account only to find that an assessment to tax on such a sum is received some months, or even years, later?

One wonders if the Government may take these proposals a little further and allow tax relief for corporation tax at source on bank interest payments by companies, which would have the effect of helping industry's cash flow in difficult times.

V. M. Kerins,
51 Melbourne House,
Yeading Lane,
Hayes, Middlesex.

Cars

From Mr T. Whittle

Sir,—Clive G. Williams (Feb 24) takes credit for the Driver and Vehicle Licensing Centre that net fines on car tax evaders rightly rose from £3.7m in 1982 to £8.5m in 1983. But this must be set against evasion costing £174m in 1982 (perhaps more in 1983), compared with £75m in 1979. This £174m evasion should be viewed against the expected £200m yield from the increase of car tax in the 1983 Budget. Higher cost "licences" for TV or car invite more evasion. Police and courts have more important work to do.

This evasion (paid for by honest taxpayers) can be entirely eliminated simply by adding an equivalent sum to the existing fuel tax, fairly applied according to usage. Some two-thirds of all motorists would pay about the same, spread over the year. Rural drivers, whose essential mileage is very high because of lack of subsidised public transport, could be compensated through income tax, as for business use.

Registrations would be more efficient through a strengthened, annual, MoT test (perhaps with a re-test on a change of ownership), the form going to Swansea and a test disc, proving roadworthiness, issued to take the place of the "licence" on the car. Theft of the £85 tax disc would be eliminated, abuse of the MoT test prevented and many "unlicensed" cars freed for use.

Thomas E. Whittle
19 Kildoon Drive,
Maybole, Ayrshire.

Conveyancing

From Mr A. Roper

Sir,—May I draw attention to the fact that there is a very considerable difference between the Government's proposals on the future of conveyancing and those which were embodied in Austin Mitchell's House Buyers Bill? The Bill would have led to unqualified conveyancers with little or no safeguards for the public whereas the Government proposals are quite different.

The Government Committee now being set up is expressly to consider what tests or other evidence of competence are needed for non-solicitor conveyancers in order to provide the public with a satisfactory assurance of adequate skill; how any such tests might be administered; and what other requirements should be placed on non-solicitor conveyancers to ensure adequate consumer protection.

The Press and media have described the Government statement as a victory for Austin Mitchell and the Consumers Association. It is not. It is a defeat for Austin Mitchell's dangerous and inappropriate proposals and a victory for common sense.

It still remains a mystery, however, as to why it should be necessary to set up another organisation to achieve the same objects as already exist under the present system of controls.

Alan D. Roper,
3 Victoria Street,
St. Albans, Herts.

Tourism

From Miss J. Allan

Sir,—I read, with interest, the letters from Mr Jackson Taylor and Mr R. Musgrave (February 25) referring to high unemployment and the PSBR per job created.

It is with an increasing sense of exasperation that we in catering and leisure have tried to point out the high employment prospects within our industry, and the almost nil PSBR per job created. Not only that, but the ever-increasing foreign earnings capacity of the industry should surely make it a priority for Government support.

Over the next five years a minimum of 160,000 jobs will be created in catering, and this could be well over a quarter of a million with assistance. And it does not stop there. However great the advances in technology, these can only serve to create more leisure time for those employed in manufacturing and heavy industry, thereby creating a greater demand in ours. And however great the technological advances in our industry, we shall still need people to welcome our guests, talk to them, serve them and look after them.

In 1982 tourism earned more than £4bn, equalling the earnings of North Sea oil and unlike North Sea oil is in no danger of running out in the foreseeable future.

The Chancellor must take catering, leisure and tourism seriously. Encouragement is needed now by way of capital building allowances being granted on a par with manufacturing industries, and reductions in indirect taxation, corporation tax and interest rates.

(Miss) J. R. Allan,
Green Park Hotel,
Valley Drive,
Harrogate, N. Yorks.

VAT

From Mr D. Franklin

Sir,—Colin Dauris (February 23) correctly explodes the myth that the VAT postponed accounting system accords importers an "11-week period of cash flow grace." During the recession many large companies have been applying "extended credit terms" to British suppliers and in some instances these extend to receiving payment for goods and VAT after 12-16 weeks.

If the Chancellor were to drop the PAS, shippers and HM Customs at all ports of entry would be overwhelmed with the additional paper work which could only reflect in higher prices in importing and exporting.

The Chancellor would be better advised to look at the actual method of VAT collection. Registered traders make quarterly returns and pass VAT cheques between each other, yet none of these payments actually increase the total VAT yield. These transactions only increase the workload of the companies, not to mention the tens of thousands additonal VAT staff required to operate the scheme. Purchase tax used to be collected at the final point of sale and so could VAT.

D. G. Franklin,
121, Kennington Road, SE11.

CAP

From Mr J. Haile

Sir,—Mr Phillip Oppenheim's letter (February 23) is a good example of muddled thinking on the common agricultural policy. His main arguments in favour of CAP appear to be as follows.

That the 30 per cent drop in agricultural production if price support were ended would leave Europe heavily deficient in those products. I fail to see, given the efficiency of world transport systems, why this is necessarily to be deplored so long as the world as a whole is not deficient. Indeed, a move to importing some food stocks could have a marked beneficial effect on the economies of a number of less developed countries who are, or rather would wish to be, customers of our manufacturing and financial industries if only they could afford to be.

That world prices would rise, cancelling out any gains to the EEC consumer. Surely, any such rise in the world price would automatically lead to farmers increasing production as it became more profitable to farm marginal land, leading to a fall in prices.

That such a change in policy would have a marked deleterious effect on various aspects of farming life. If, however, Governments wish, for social or political reasons, to support various endangered species (small farmers, hedgerows), it must be more cost effective to allocate money specifically for that purpose rather than showering it broadcast over the whole farming community.

J. P. W. Haile,
16, Leighton Avenue,
Pinner, Middlesex.

POLITICS TODAY

Cheltenham and Chesterfield

By Malcolm Rutherford

TWO CHAPTERS were completed in British politics this week: the Cheltenham affair looked as if it was ceasing to be a major news item, and Mr Tony Benn was returned to Parliament in the Chesterfield by-election.

A brief judgment of the story so far is that the Tories have lost some credit by their handling of Cheltenham, the SDP-Liberal Alliance has done rather well, and the Labour Party has done much less well than it ought to have done under the new leadership of Mr Neil Kinnock.

A more considered judgment is that nothing much has changed. Measured by long term trends, the Chesterfield result conforms to the pattern established by by-elections over the last few years, with one exception: there was a remarkably high turn-out.

The trend towards three parties continues, despite all the obstacles caused by having an electoral system designed to accommodate only two. Labour and the Alliance are still competing for second place after the Tories and for the role of principal opposition.

There was nothing astonishing about the Tories' dismal performance in Chesterfield—only 15 per cent of the vote and reduced to number three. In a whole string of by-elections before the last general election the Tory candidate lost his deposit. The pattern seems to be that in a seat that has been held by Labour there is a swing towards the Alliance. But anyone who attempted to predict the general election result on the basis of what had happened in previous by-elections would have been wildly wrong.

The BBC computer projected in the early hours of Friday that if the Chesterfield result were repeated across the country there would be a Parliament composed of 377 Alliance members, 200 Labour, 47 Tories and 26 others. But we should all know by now what to make of that sort of thing. By-elections are *sui generis*, but they do tend to reflect a long-term trend which includes the rise of a third party.

Mr Nick Bourne, the Conservative candidate in Chesterfield, was actually rather impressive. The result was no comment on him. Mr Max Payne, the Liberal candidate, was by widespread consent pretty awful. He had a lugubrious manner, was probably too old and rarely committed himself on policy matters. Nevertheless, he won nearly 35 per cent of the vote.

The same man won only 19.5 per cent in the General Election in 1983 and just over 10 per cent in 1979. That makes the trend to the Alliance unmistakable.

There was a Benn factor in Chesterfield, though it is hard to define precisely what it was. People did say on the doorsteps that they would not vote Labour because Mr Benn was too left wing. But that has to be balanced by his extremely effective campaigning. Mr Benn is nothing if not a professional. He canvassed the constituency assiduously and he was surely right to abandon the practice of regular morning press conferences which smack of a parody of a general election.

My guess is that the Benn factor was responsible for the high turn-out—77 per cent against 72.6 per cent last June. But it worked two ways. Mr Benn won back some old Labour voters by the very efficiency of his campaign and his personal touch: he really is a very attractive figure to meet. Yet his reputation as an extremist probably persuaded others to turn out to vote against him.

So what does the result do for Labour? To take the personal side first: Mr Benn is back in Parliament and Chesterfield, with its tradition in English history, is a very suitable seat for him. One has always tended to the view that he is an English eccentric rather than a dangerous revolutionary, though many people in the Labour Party think that that is too kind.

Outside a factory in Chesterfield on Monday he actually said: "Tolpuddle and Cheltenham have come together." But it was perhaps a mark of how seriously he is taken that hardly anyone laughed at the absurdity of the comparison between the draconian sentences placed on the Tolpuddle martyrs and the civil unrest in 1834 and the minor fracas about the Government's communication headquarters 150 years later. Mr Benn gets away with a lot more nonsense than he ought to.

Ashley Ashwood

Benn: nothing if not a professional

Still, it is hard to believe that he will begin to refight all his old battles in the Party or that he will again be the force that he was in the past. For one thing, he has grown visibly older. The leadership, under Mr Kinnock and Mr Roy Hattersley, has grown younger. It is almost inconceivable that Mr Benn will again stand for one of the two top posts.

A test of his behaviour will come at the Party conference next autumn. But again it would be wrong to underestimate the desire for unity which now prevails in much of the Labour movement. Mr Benn could get pretty short shrift if he sought unduly to rock the boat.

Besides, Mr Benn himself seems to have mellowed. He probably does believe now that it is more important for Labour to win power than for the left to win control of the Labour Party. The two aims are not incompatible and there could be some conflicts as Mr Benn states his views. Yet it is doubtful whether they will be quite as agonising as in previous years.

Taking the numbers alone, however, the Chesterfield result cannot be seen as very good news for Labour. Mr Benn polled more votes than his predecessor, Mr Eric Varley, but his percentage share was down — from 48.1 per cent to 46.7. In the general election of 1979 Mr Varley polled 57.4 per cent.

None of that fits with the idea of Labour on a rising curve or with recent national opinion polls, some of which have put the Party edging ahead of — certainly catching up with — the Tories, and leaving the Alliance way behind. Indeed it fits all too plainly with the pattern of Labour in continuing decline.

A reasonable test of Labour's performance was that it should have won 50 per cent of the vote — an overall majority. It failed.

The Party has also had its own banana skins this week. There was the extraordinary case of the sacking of the two front bench spokesmen, Mr Frank Field and Mr Max Madden, for voting against the Government on the Cheltenham affair.

True, there seems to have been an element of cock-up rather than conspiracy. Mr Field was perhaps negligent in only learning that Labour was to abstain on the 6 pm news on the day of the debate. But it was only a one line whip and he walked into the division lobby behind Mr Michael Cocks, the Chief Whip, thinking that the latter was rebelling as well. In fact, Mr Cocks was going there to keep Labour rebels out.

Mr Field was summoned to Mr Kinnock's office the next morning and sacked. He was about to suggest that his social security duties should be taken over by Mr Madden, then learned that he was being sacked as well for the same reason. Then Mr Kinnock had an afterthought: since there was no immediate replacement, could Mr Field stay on for a bit? For the rest of the time, they talked about the rising morale in the Labour Party.

The whole episode is absurd on all fronts. Mr Field, in particular, is too able an MP to alienate. Besides, if Labour was so incensed about the Government's behaviour at Cheltenham, the Party should have declared its opposition in the division lobbies. At the very least, it could have tried to flush out the Tory rebels. If that had failed, it could have claimed that a number of Tories were only supporting the Government under duress from the Whips.

As it was, the honours went to Dr David Owen and the Social Democrats. Dr Owen not only spoke out against the Government, but voted against it.

(One theory behind the sackings is that Mr Kinnock and the Whips were determined to set an example before Mr Benn's return—just in case he intends to establish his own independent voting habits. But it still seems not only harsh, but foolish in this instance.)

Anyway, Cheltenham seems finally to have been relegated from the front pages. The Government has achieved its basic objective of banishing union membership at intelligence stations, but at a price of continuing unfavourable publicity. It is unlikely that the incident will be lightly forgotten and it may well be seen as coinciding with a turn for the worse in the Government's fortunes.

The trouble with the loss of credit argument, however, is that the Tories—with a majority of 144—can afford to throw it away in bags. They could go on losing credit for the next few years and still have money in the bank in the form of a reasonable chance of winning the next election, albeit with a reduced majority. From their point of view Chesterfield merely showed that there are still two oppositions and little prospect of them coming together.

Yet, now that the distractions of Cheltenham are out of the way, there are issues which could be exploited. The February unemployment figures were not at all good and the Government did not even seek to pretend that they were. Conservative Central Office has also noted that recent opinion polls suggest that people are focusing on unemployment in a way that they did not at the last general election. It is not enough to have a resumption of economic growth if unemployment stays at the same levels.

Not least, the debate on what happened to the oil revenues is beginning to resurface at a time when the revenues will shortly peak. The coincidence of declining funds from oil accompanied by three million still out of work could be painful.

There was another election this week which was not without relevance to the British scene: in New Hampshire. If the Americans really were to reject President Reagan and to elect Sen. Gary Hart in his place, the Thatcher administration might begin to look a little outworn. The political pendulum would have swung back from stress on market economics and defence to compassion and detente. These fashions spread.

UK record industry

Charted course for success

By William Dawkins

IT ALL began with Gary Nesbitt's new car cassette player.

When Nesbitt treated himself to the latest thing in audio gadgets 13 years ago, he was distinctly irked to find it nearly impossible to buy tapes for it.

"I set off with £20 in my back pocket to a specialist cassette shop in the West End one Saturday, only to find it was closed for lunch. I was amazed that in the centre of a city of 10m people, I couldn't buy a cassette. There seemed to be a market gap."

So Nesbitt borrowed £100,000 from colleagues at the Mecca Sportsman casino group to set up his own cassette shop, Tape Revolution, in Finchley—"more as a hobby than anything else," he says.

Since then, his hobby has grown to become the Our Price chain of 77 record and tape shops, the largest independent specialist recorded music retailer in the UK, with a 5.5 per cent share of a market worth some £455m.

And on Monday, the group announced that it is to come to *the Stock Market* to fund its further expansion, involving the possible purchase of another 50 shops in London and the south-east. Our Price is offering 1.6m shares, which at the minimum tender price of 150p, would raise nearly £890,000 for the company when dealings start on March 12.

But in the fast-moving cut-throat world of music retailing, the rise of Our Price and Nesbitt, aged 42, has not always been smooth.

By the summer of 1976, Nesbitt and his deputy, Michael Isaacs, aged 32, the son of a Mecca colleague, were running six tape shops in London. They were ambling along nicely, producing annual profits of around £50,000.

It was then that they decided the time was ripe to chance their arms in record retailing against established specialists like HMV — a subsidiary of Thorn EMI — and Virgin Records.

Backed by a heavy radio advertising campaign, his first record shop, in Croydon, undercut the other retailers aggressively on every title.

"The competition just sat back and waited for us to go bankrupt," says Nesbitt. But when it became apparent that the formula was working in Croydon and Our Price's nine other shops, mostly in central London, they moved in with a vengeance. By 1977-78, Our Price's profits had tripled to £150,000 pre-tax, but Richard Branson soon took the gloss off the euphoria when his Virgin Records opened a 17,000 sq ft record megastore in Oxford Street a year later.

The answer was to expand out of London into the suburbs and home counties—a patch already covered extensively by the loss-making Harlequin chain of 41 record stores.

Nesbitt was convinced that the popularity of *the Our Price* name and the strict financial controls it had learned in the discounting battle could turn Harlequin round. After two sceptical backers turned him down, Midland Bank Industrial Finance chipped in £1m, and Our Price bought Harlequin for £1.4m in May 1980.

Harlequin's problems proved far tougher to crack than Nesbitt had anticipated. Takings were disastrously poor, the shops had £200,000 worth of unsaleable records on their shelves, and within a year all but eight of its 110 staff had left. The financial strain of revamping Harlequin pulled Our Price into its first loss, £388,000 in the year to May 1981.

"On top of that, the writing was on the wall for our old adage of pile it high and sell it cheap," says Nesbitt. "Customers were becoming more interested in the quality of their shopping environment than in price."

So Nesbitt and Isaacs wasted no time in switching the Our Price shops from their former cheap and cheerful format to *something more sophisticated*. They abandoned heavy discounting, and put a heavier emphasis on quality of service.

The cost of financing that process quickly drove up borrowings to a hefty 85 per cent of shareholders' funds. But once the disruption was over, the customers flocked back and pre-tax profits rose from £536,000 to £870,000 in the year to last May.

Where does Our Price go from here? Nesbitt thinks the record industry is set for a gradual long-term decline, so he is stocking up on compact discs and plans to experiment with micro-computer software and music video.

"We just have to duck and dive according to what our market wants," he says.

Weekend Brief

Mickey's European accent

Mickey Mouse with visitors at the Tokyo Disneyland, the company's first leisure park project outside America

"We could raise the money, you've got the people, but where are we going to get that?" said the man from Disney looking up at the bright Florida sunshine.

Talk is once more in the air of Disney looking for a European site for its next theme park, and Britain is said to be among the candidates. As they say at Disney's Burbank headquarters: "We may be in the world of fantasy, but not that much fantasy."

Two factors have generally combined to knock ideas of a British Disneyland on the head —the weather and a willingness to pay. The weather speaks for itself. The penny-pinching problems concern both investors and customers.

British commercial operations have shown distinct coolness towards the idea of sponsored rides and pavillions which form the basis of Disney's U.S. operations, and there is considerable doubt whether the average British family would spend the £15-£20 per head per visit that Americans lavish upon their Disneyland and Disney World visits.

It was a decade ago that the buoyant Brylcreemed Eric Morley, then chief executive of the Grand Metropolitan subsidiary, Mecca, thought that he had cracked the problem. His £100m Merrie England project for a site north of Birmingham was launched with an extensive study which projected 8m visitors in the first year. Morley planned at least one plus over the Disney projects.

Whereas Walt's successors still do not serve alcohol in the parks themselves Merrie England would have bad inns, pubs and hotels all selling booze—"in keeping with our history."

Morley's enthusiasm fell on deaf ears, the late Maxwell Joseph, Grand Met's chairman and always a man for the bottom line, notably distanced himself from the Hollywoodesque idea.

More recent attempts have proved a little less ambitious. Alton Towers is the current British champ with £40m spent so far and the same about to be spent again. It is looking for 2m visitors this year.

Its big new attraction this season is a £2m "black hole" ride to rival Disney's Space Mountain projects on which customers zoom in darkness through asteroids and other astronomic impedimenta.

The main challenge to Alton Towers in the future looks like being Wonder World at Corby which could have a price tag of £300m. The first phase alone, due to open in 1986, costing £100m.

This project is being promoted by Group Five (Holdings) and is using land once owned by the British Steel Corporation. Although ambitious by British standards, the Group Five enterprise still only talks in terms of 5m visitors a year, less than half the Disney total for each of its two U.S. parks and also less than half the figure Morley was projecting for Merrie England after a few years of operation.

Disney executives wish these projects good fortune but show little inclination to follow suit in the UK. They mutter darkly not only about the weather, but also about British planning permission problems and the unwillingness of investors to take a long view or corporations to see roller-coasters as a promotional status symbol rather than a revenue earner.

In Japan, where the success of an oriental Disney project has sharpened Burbank's taste for overseas expansion, the deal is very much loaded the U.S. way. The American group picks up 10 per cent of gross admission fees and 5 per cent of all food and drink sales.

Oriental Land, the Disney partners in the project, wooed all manner of companies into sponsorship deals and sees its fortunes in the soaring property values that have resulted locally.

So far the European country which seems most likely to fit into this mould is Spain. It has the weather, the tourists and the Governmental inclination to do a deal which will send Mickey Mouse smiling all the way to the Burbank bank. Olé.

The end of civilisation in Guatemala

The very thought of Coca Cola going bust is of course absurd; civilisation as the Americans know it could scarcely withstand it. But that, nevertheless, is just what the Coca Cola franchise in Guatemala City has just done.

The franchise, held by a Panama-registered company identified by "This Week," the Guatemala-based newsletter, as Administration and Investments of Central America, suddenly closed the plant and laid off its 460 workers last month. According to local unions the plant operator, Mr Tony Sasch, said that the company needed $14m to cover its debts (believed to be over $10m) and operating loss if it were to be refloated.

Guatemala has not been a Coca Cola showpiece. The company was the object of an international boycott pressed by the *International Food Workers* Union in 1980-82, after eight union officials and three plant managers were murdered at the Guatemala City factory between 1978 and 1980, in what was part of succeeding military regimes' attempts to wipe out independent trade unions.

The Coca Cola franchise subsequently changed hands, partly, it is believed, because of pressure from the parent company, rattled by the bad publicity it was receiving, but also because of mounting debts which the new franchise holders inherited.

The closure takes place at the same time as a new wave of kidnappings and murders in Guatemala, where the current military regime faces a growing insurgency from the Left. According to the Guatemalan opposition's news *service*, local press and relief organisations reported 26 people killed, 60 kidnapped and 33 wounded in the week prior to the shutdown.

On the same day as the discovery of the bodies of a former professor of labour law at San Carlos University, and a leading trade unionist, both of whom had been kidnapped, the current Guatemalan President, General Oscar Mejia Victores, was widely reported by news agencies as saying: "I think the violence is fine, it is folkloric in our country, as all countries in the world have their violence in one form or another. Sometimes there is a little: sometimes it decreases or increases."

Coca Cola, however, appeared to be facing a different sort of balance-sheet. Under the new franchise holders there had been no repeat of the previous carnage. Their key problem, it appears, is rather more familiar; Pepsi Cola, the eternal rival, has greater market penetration in Guatemala through a much larger operation linked to the local beer monopoly.

Contributors:
Arthur Sandles
David Gardner

BSR net profit at £13m—paying 1.5p final

A £50m advance in sales to £282m and a turnround from a net attributable loss of £31.71m to a profit of £13.1m has been achieved by BSR International in the year 1983. The return to the dividend list is continued, with a final of 1.5p to make 1.85p for the year.

Net short-term debt has been reduced from £42m to £4.1m, net interest charges totalled £3.6m, against £8.2m, and gearing has been cut from 178 per cent to 41 per cent. This is a reflection of the rights issue of last April, the comprehensive financial restructuring, and the profit achieved in 1983.

Mr W. R. Wyllie, the chairman, says a "very healthy" order book position has been established for products manufactured by the principal subsidiaries, Astec and Capetronic, and he is confident that the group will achieve further strong growth in sales and profits in the current year.

As forecast, the second half of 1983 produced strong growth in sales and operating profits. For the year operating profit was £24.5m, compared with a loss of £9.16m, and the pre-tax balance reached £20.94m, against a loss of £17.38m. A split of the sales and operating profit (which last year was before redundancy costs of £5m) shows: electronics £174.6m (£125m) and £25m (£12.2m); audio £42.9m (£56.2m) and loss £2.4m (£15.2m); housewares £35.3m (£26.6m) and £0.2m (loss £1.7m); industrial £29.2m (£24.3m) and £1.7m (£0.6m).

	1983 £'000	1982 £'000
Turnover	281,971	232,095
Gross profit	70,212	34,194
Operating expenses	45,708	38,337
Exceptional debits	—	5,018
Operating profit (loss)	24,504	*9,161
Investment income	2,189	2,400
Interest payable	5,751	10,515
Profit before tax	20,942	*17,380
Taxation	3,294	1,307
Minority	270	269
Earnings	17,378	*18,956
Extraordinary debits	4,234	12,751
Attributable	13,144	*31,707
Dividends	3,241	—

* Loss

Earnings per share are given as 11.6p (loss 16.5p) before extraordinary debits totalling £4.23m (£12.75m). Retained profit of £7.1m will be carried forward, compared with the position of the end of 1982 when reserves were only £56,000.

The improvement in debt profile has not been achieved by any reduction of funding for capital expenditure or research and development.

Capital expenditure increased during the year by 41 per cent to £14.2m, while R and D expenditure rose by 64 per cent to £4.4m. The letter covers only the dedicated R and D establishments and substantially understates the total expenditure incurred by the group.

With improved financial controls established in all subsidiaries this important area of investment for the future will be more accurately logged and reported in 1984.

Mr Whilley says the year was one of intense rationalisation and reorganisation, and he is pleased with the progress achieved.

Integration of the management and manufacturing skills of the Capetronic and Astec subsidiaries has been completed. It is expected to lead to enhanced opportunities for the further development of profitable business and, in due course, the streamlining of other manufacturing facilities throughout the group.

BSR (Japan) has been successful in widening its business activities there, where strong affiliations have been developed with leading Japanese and multinational companies in both audio and electronics.

While the group continued to maintain a presence in the traditional audio, industrial and houseware fields, particular emphasis has been placed on widening the product base into high-technology electronics components and computer peripherals.

● It was announced yesterday that Legal and General Assurance has sold in the market 200,000 shares, reducing its ordinary holding in BSR to below 5 per cent of the issued shares.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
BSR	1.5	May 30	Nil	1.85	Nil
Derek Crouch	3.42	Apr 4	3.42	5.05	5.05
Intl Inv Jersey§ 2nd int	5.5	Mar 30	5	9	8
New Darien Oil	0.26	May 10	0.26	0.26	0.26
Telefusion int	0.82	Apr 11	0.82	—	1.95

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Gross throughout.

London Tst. may link with Baron Rothschild

By Charles Batchelor

Baron Guy de Rothschild, a leading member of the famous banking family, seems poised to set up a base in the UK. The baron, who left France in 1981 in disgust at the nationalisation of the family's French banking interests, is apparently discussing a link with London Trust, an investment trust which has recently been reviewing its investment policy.

Neither London Trust nor Baron Guy could be contacted for comment yesterday but analysts and investment managers close to the UK company confirmed that a deal was under discussion. An announcement is expected shortly.

The two sides are believed to be discussing either the injection of some of the baron's interests into London Trust or his taking over the management of the trust.

London Trust's shares rose to a 1983-84 high of 85p yesterday, a rise of 3p on the day and follows a 2p rise on Thursday.

A management shake-up was carried out at London Trust in late 1982 after a decline in the trust's performance, resulting largely from problems with some of its investments in unlisted stocks. Mr Henry Berens came in as managing director while the Hon Edward Davies, the chairman, gave up executive responsibilities.

London Trust has since disposed of a number of its investments and obtained public listings for several of its companies. It has decided to end its longstanding relationship with Rivermoor Management Services and is looking for a new investment management team.

Major shareholders in London Trust are Britannia Arrow Holdings with nearly 15 per cent, Guardian Royal Exchange Assurance with 13.5 per cent and Prudential Assurance with 5.2 per cent.

Harris strengthens its links with two furniture suppliers

BY TERRY GARRETT

LEADING carpets and furniture retailer Harris Queensway is about to complete contracts with two quoted furniture manufacturers—Christie-Tyler and Stonehill Holdings—which could considerably improve their sales while increasing Harris's competitive edge in the High Street.

The closer links between the retailer and these two suppliers is part of a trend which has seen Harris cut its furniture suppliers from 200 to 20 or 30 within the last nine months.

Using its buying muscle Harris is able to negotiate some keen prices with the remaining manufacturers, while giving them the benefit of a sharp lift in the order book. There are obvious parallels between Harris's arrangements and with those established by MFI with its suppliers.

The agreement with Stonehill is that the manufacturer will be supplying five ranges of dining room furniture under the Beautility label. The order with Stonehill is worth around £5m to £7m a year. In the year to last April Stonehill's sales amounted to £15m.

Christie-Tyler is devoting a new factory to produce up to 1,250 lounge suites a week by next autumn, solely for Harris Queensway outlets. The contract could be worth up to £10m or so a year for Christie-Tyler. Its sales in 1982-83 were £73m.

Mr Phil Harris, Harris Queensway's chairman, said yesterday that: "We will have our own man in the factory watching quality control. It is a bit like the arrangement Marks and Spencer has with its suppliers. The prices at which we will be buying means that we should be 20 per cent cheaper than anything else in the High Street."

Apart from the closer links with Stonehill and Christie, Harris already has a similar relationship with Silentnight, and is taking an equity stake in a small kitchen furniture company which will operate shops within shops at Queensway.

Harris has taken a 5 per cent share holding in Symphony Kitchens for around £15,000. Symphony started trading a few years ago and has already rapidly grown into a company making profits of around £1m a year.

Symphony is already operating from a handful of 2,000 sq ft spaces in Queensway stores and considerable expansion is envisaged.

Mr Harris said yesterday that Symphony would do all the selling and Queensway would receive very little direct profit from those sales. He sees the return coming from the increased customer traffic attracted by Symphony's advertising campaign, plus the capital value of the 5 per cent stake. Eventually Symphony plans to come to the stock market.

London Brick says accept offer

The board of London Brick has recommended its stockholders to accept Hanson Trust's final offer.

The directors will continue to fulfil their present responsibilities and have stressed to employees the importance of continuing as usual with the day to day activities of the company.

London Brick is to convene an extraordinary meeting on March 27 to effect a capital reorganisation by means of a scrip issue. This is being done to minimise the acquisition costs to Hanson.

Memcom turns in £94,000 at six months

Memcom International Holdings, the electronic filing systems company brought to the over-the-counter market by Afcor Investments, made pre-tax profits of £94,000 in the six months to October 31 1983. This compares with a £32,000 loss in the preceding seven months period to April 30 1983.

Mr Ben Owens, the chairman, expresses confidence that, based on the current trading results, the profit forecast of £510,000 for the year will be met or exceeded and that the projected net dividend of 3p per share will be paid.

Turnover for the six months amounted to £1.37m. After-tax profits were £93,000 and earnings per share came out at 2p. Net assets reached £2.15m (£465,000 at April 30, 1983) and assets per share were 46.2p.

No strict comparative figures are available due to accounting date and corporate structure changes.

Costs expended to date for the development of the Ovonic camera are not included—at October 31, 1983 these amounted to £122,000. Further expenditure of a similar nature is expected during the remainder of the year.

The chairman reports that the funds from the September share issue have permitted the company to begin full implementation of the large contracts it had in its current order book. Memcom is now able to issue Letters of Credit to its suppliers when needed and has been able to negotiate normal trade terms for many of its major purchases.

This availability of working capital has allowed Memcom to fill the pipeline with goods and this is reflected in its increased monthly sales figures and improved profitability, Mr Owens explains. As the company increases its system shipments, enquiries from new system prospects are rising accordingly.

Perkin-Elmer

Perkin-Elmer, engaged in the manufacture, service and sale of scientific analytical instruments, achieved higher taxable profits of £1.55m, against £1.27m, in the six months to December 31 1983.

Turnover for the period expanded from £9.8m to £11.16m. The profits were subject to tax of £698,000 (£596,000). The company is a subsidiary of Perkin-Elmer Corp of the U.S.

Heavy investment hits Telefusion

HIGHER CHARGES for interest and depreciation have eaten into the profits of Telefusion in the half year ended October 1983. At the pre-tax level they have fallen by £543,000 to £1.25m, and the directors anticipate a similar overall result for the second half.

This would give a year's profit of around £2.5m, compared with the £4.26m earned in the previous full year. The current interim dividend is being held at 0.82p net—last year's final was 1.13p.

Turnover of the group, which rents and sells televisions, etc, operates the Trident discount superstores, and is involved in communications and cable, advanced from £43.35m to £47.13m, excluding VAT, in the half year, and the trading profit rose by £856,000 to £7.64m. However, interest charges were up £281,000 to £1.28m and depreciation by £1.16m to £4.82m.

These higher provisions resulted from the heavy capital investment programme, which will provide substantial cash flow and revenue for several years to come. There is a tax charge of £392,000 (£629,000) to leave the net profit at £860,000 (£1.17m), for earnings of 1.86p (2.52p) per share.

The directors state that total new capital investment will be at a considerably lower level during the next financial year. The investment needed to update colour television receivers on rental is easing off, they explain.

An overall improvement in rental equipment reliability and operational efficiency consequent on this substantial investment has led to the merger of the formerly separate retail and rental service divisions.

Current trading is satisfactory although the cost saving benefits of the merged service operation will only be realised from next month onwards.

● comment

The market was rather brutal to Telefusion yesterday, hammering the shares down 8p to 54p. This might seem odd, given that the rise in depreciation and interest charges was broadly predictable. The shock, though, came in the revelation that full year pre-tax is unlikely to be much above £2.5m—i.e., that second half profits should be halved by comparison with last year. Given full year capital expenditure of maybe £18m, this raises the spectre of the ratio of debt to shareholders' funds rising by as much as a third from last year's 100 per cent mark. Part of the profit shortfall will arise from redundancy costs, through the merger of the retail and rental service divisions. Even within the capital expenditure figure, though, the first half drop of 40 per cent in purchase of VCRs seems to show that Telefusion is suffering more than the market as a whole. But then, bigger companies like Thorn and Granada can arguably deal more cheaply than Telefusion through bulk purchasing. On a forecast basis, their shares are also on a slightly lower multiple.

Derek Crouch recovers to £0.89m

CONTINUING efforts to improve efficiency, coupled with strict financial control and a demanding investment criteria, are beginning to show through at Derek Crouch, the opencast mining and construction group.

For the year 1983 it has pulled back the halftime setback to produce a profit before tax of £886,000, compared with £874,000 in 1982, and is maintaining the dividend at 5.05p with an unchanged final of 3.42p net. Turnover for the 12 months showed little change at £61.12m (£61m).

Mr Derek Crouch, chairman, says it is still extremely difficult to forecast a result for the current year but, having resolved the majority of problems, he looks to the future with some confidence.

After tax of £687,000 (£358,000) and crediting minorities of £128,000 (£170,000), the net attributable profit for the year came to £327,000 (£686,000). Extraordinary debits were £59,000 (£995,000) and earnings are shown to be 2.6p (5.5p) per 20p share.

Construction work on the first private sector project in Aberdeen has been completed and sales are going well, the chairman reports. A further development, north of Glasgow, is scheduled to start in the spring and there are a number of other sites on which the company is in an advanced stage of negotiation.

Crouch is taking "a keen interest" in the retirement homes market in which there appears to be an increasing demand.

Satisfactory results are still being produced from the mining and coal cleaning contracts with the NCB. The better than average summer contributed to the performance.

In the U.S., coal markets and prices remained depressed. It was decided not to sell products at "ridiculously low prices," and so only 668,000 tons were sold at prices which were nominally higher than average.

On the construction side, performance was "seriously overshadowed" by problems with a major £13m hospital contract. There is a substantial claim against the principal of this contract which, unless it is agreed in the normal course of events, will be determined by High Court action.

No amount is included in the accounts, which may be derived from that source.

● comment

About the most encouraging aspect of yesterday's 1983 announcement from Derek Crouch is that the dividend has been maintained. Apart from the worrying implications of the possible High Court action to settle the dispute over the important hospital contract, there has been no progress whatsoever on bringing down the high level of gearing, a legacy from borrowing heavily to enter the U.S. market. Nor has there been much investment in plant and machinery to relieve the tax burden, all adding up to an uninspiring set of results. The prospects are equally bleak—at least in the short term. Over in the U.S., coal markets are still slack while at home, the open cast mining operation is severely restricted by the NCB's strictly-controlled contractual requirements. On the construction side, the company is still heavily dependent on the sluggish public sector while its attempts to break into the more buoyant private sector seems to be all too slow. The 9 per cent yield is supporting the 83p share price, where the p/e on stated earnings is over 30.

Rationalisation costs pull down Arnott

Redundancy and terminal costs and dislocation caused by a move, have hit the profit of Arnott & Co. Dublin in the year ended January 14 1984. From turnover of I£48.12m, against I£49.03m, the profit before tax has fallen from £3.11m to £2.27m. The dividend is held at 10p per share, with an unchanged final of 5.5p.

The majority of activities had a satisfactory year, particularly retail stores and services. But redundancies and terminal costs led to heavy losses in one manufacturing unit, and the wholesale division suffered severely from dislocation involved in the final stage of the move to the new warehouse on the Naas Road.

On the outlook, the directors feel that for 1984 it is "a little more promising," and the company is ready to begin the return to full profitability.

The profit was struck after interest of £498,000 (£444,000). Tax takes £1.12m (£1.69m), minorities £20,000 (£15,000) and there are this time extraordinary debits of £102,000, leaving the net attributable balance at £1.03m (£1.41m).

Olives Paper Mill

Woodfree tinted paper maker Olives Paper Mill reported increased pre-tax profits for the year 1983 of £37,646 against £22,697. This was achieved despite trading conditions worsening unexpectedly, plus higher wood pulp prices and a final quarter collapse in demand.

Turnover totalled £6.99m (£6.89m). There was a £25,030 tax credit (£579 charge) and earnings per 20p share are 1.97p (0.69p).

The company, which invested heavily in automation, energy conservation and computerised administration, said it could not reap the full benefits of the investment until a sustained improvement in demand allowed higher production levels.

The board felt the company must concentrate on cutting costs by operating more efficiently.

There is no final dividend, as last year, but an interim dividend of 0.35p was paid in October.

On a CCA basis, there was a pre-tax loss of £56,313 (£72,968).

BIDS AND DEALS IN BRIEF

Nippon Investment Finance, a Japanese venture capital company, has taken a 1.2 per cent stake in ABL Computer Technologies at a cost of £80,000, and not 10 per cent as reported yesterday.

* * *

A. and C. Black has agreed to acquire, at a cost of £670,000, Ernest Benn, a wholly-owned subsidiary of Benn Brothers, a company within Extel Group.

Ernest Benn is involved in four main areas of book publication—travel, drama, children's and fishing books.

Of the consideration, £325,000 will be financed by an issue of 125,126 new ordinary of Black and the balance, to be applied to satisfaction of inter-company indebtedness between Ernest Benn and Benn Brothers, will be financed from Black's bank facilities.

For the year to June 30 1983 Ernest Benn produced a pre-tax profit of £40,000.

* * *

The proposed merger between Pleasurama and Associated Leisure is not to be referred to the Monopolies and Mergers Commission.

* * *

Northern Goldsmiths has agreed to acquire, through a newly formed subsidiary, PTS Jersey, the business and certain assets, liabilities and goodwill of Turf Investors and Jack Carp for £1.1m cash.

TI and JC which are independent private companies under the same ownership, are the proprietors of nine licensed betting shops in Jersey.

Up to a further £400,000 may become payable on publication of the audited accounts for the first full year of operation of PTS Jersey, depending upon the achievement of certain turnover targets for that year.

* * *

Longman, part of the information and entertainment sector of S. Pearson and Son has acquired Farnsworth Publishing Company Incorporated of New York for about U.S.$600,000 in cash.

The agreement allows for additional payments, depending on performance, to be made annually over the next five years.

Farnsworth specialises in publications for the life insurance and financial planning industries. Its business therefore complements that of Longman in Chicago.

* * *

Mr P. Nash and Mr J. Alexander have purchased 59,218 (59.2 per cent) shares in C. A. Sperati from directors at 155p per share. They will, in accordance with the City Code, make an offer for the outstanding shares at 155p for each share in cash.

* * *

Wellington Estates Company is making an agreed £2.03m offer for Wirral Estates. The terms are £9 in cash or £9 of 9 per cent redeemable loan notes 1988 of Wellington for each Wirral £1 ordinary share.

The Wirral board has undertaken unanimously to recommend that shareholders accept the offer. Irrevocable undertakings to accept have been given in respect of 22,570 shares beneficially held by Wirral directors (10 per cent of ordinary share capital). Wellington is the beneficial owner of 7,575 ordinary shares of Wirral (3.37 per cent).

* * *

Sun Chemical now owns about 72 per cent of the ordinary capital of Ault & Wiborg. Between February 23 and yesterday, it had purchased a total of 4.72m shares under its plan to buy in the market at 46p each Ault shares offered to it before March 9.

* * *

Bristol Oil and Minerals has purchased an additional 3,735,517 shares of common stock of Bengal Oil and Gas Corpn and now holds 24,335,617 shares (54.1 per cent).

* * *

Faber Prest Holdings has acquired the plant hire division of A. Barker (Holdings) of Scunthorpe.

* * *

Resolutions to approve the acquisition of Selective Paper Group have been passed by Fine Art Developments shareholders.

COMPANY NEWS IN BRIEF

Shareholders took up over 89 per cent of the 4.18m new ordinary shares issued by Sketchley, the drycleaning and laundry group, in a recent £14.1m rights issue.

The shares not taken up have been sold by Morgan Grenfell and the excess over the subscription price, net of costs, of approximately 18.78p per share will be distributed to those provisional allottees originally entitled to them.

The two for nine rights issue at 350p per share was arranged to help fund Sketchley's planned expansion, particularly in North America.

* * *

In the first interim figures since joining the USM last July, Invent Energy Holdings has shown pre-tax losses of £1.17m for the six months to the end of November 1983. This compares with losses of £2.86m for the year to the end of May 1983.

Turnover of this petroleum exploration and production group was higher for the six months at £94,480, against £61,706 for the previous year.

There is no dividend—at the time of joining the USM the directors said they would not recommend payments for the foreseeable future. Losses per 25p share fell from 35.54p to 7.07p.

Pre-tax losses were struck after associate losses of £477,069 against £1.43m.

The directors say that last July's rights issue of £14.3m enabled the company to repay all of its loan accounts debts.

* * *

Earnshaw Haes has placed 50,000 new shares in Highgate and Job with investment clients at 170p, subject to approval of shareholders at an egm and Stock Exchange permission to deal.

* * *

With exports sales continuing their substantial decline, Tilley International has stayed in loss throughout the year ended September 30 1983. Before tax, it came to £20,000 compared with the profit of £2,000 previously. Exports reached their lowest level in 10 years, but home trade sales increased marginally.

Tilley makes light engineering products and leisure accessories, and is controlled by Stonehage International of Holland. The directors state that its home market will continue "very competitive" with margins subjected to even greater pressure, and "there is no reason to believe that the export market, in particular Nigeria, will return to previous levels in the immediate future."

Interest, distribution costs and administration expenses were all reduced, and other operating income was halved. Consolidation of the factory premises led to a cut in fixed overheads. With a stringent austerity programme being implemented in respect of running costs, this helped margins to be maintained.

The loss included the non-recurring cost of meeting the reparations claim from the landlord, the Industrial Development Board for Northern Ireland. This settlement included certain in-house work being carried out.

Grave economic difficulties are likely to persist in the countries of the company's trading partners, and tight control over costs will be essential while the urgent search continues for new lines, agencies and business, the directors say.

* * *

For the six months ended February 29, 1984, attributable earnings of Kleinwort Benson Eurobond Fund totalled £775,871. This compares with earnings of £349,059 for the four months to March 3 1983.

Net asset value at end-February emerged at £15.39 (£16.31) per income share and at £17.1 (£16.31) per accumulation share. Net assets on a bid basis amounted to £19.82m (£13.3m). Earnings per accumulation share came through at 64.84p (41.82p). Dividend per income share for the half year is 60.64p (41.82p for period) gross.

* * *

Proposals are being made to holders of John Brown's 6½ per cent debenture stock 1984-89, unsecured 4¾ per cent and 5½ per cent unsecured loan stock 1998-2003 for the modification of the respective trust deeds. In consequence of arrangements which the company has entered into with its principal bankers, are being posted to such holders.

In consideration of the modifications proposed: (a) debenture stockholders are being offered an unconditional guarantee of all payments of principal, sinking fund instalments and interest, and an increase in the coupon from 6½ per cent to 7½ per cent per annum; (b) unsecured loan stockholders are being offered security.

* * *

On turnover up from £226,636 to £326,935, Pavilion Leisure Holdings, the theatre proprietor, cut trading losses from £126,208 to £34,939 in the six months to April 30 1983.

* * *

The net asset value per 25p share of Fleming Japanese Investment Trust stood at 508.2p on January 31 1984. Gross revenue was £410,689 and, after expenses and interest of £32,234 and tax of £27,141, earnings per share totalled 0.37p.

* * *

Dunlop Malaysian Industries, the 51 per cent tyre and sports product subsidiary of Dunlop of the UK, has had a second lacklustre year, with pre-tax profits falling 10 per cent to 32.7m ringgit (£9.5m) for the year to end-December 1983. Turnover fell 5 per cent to 241m ringgit.

After tax, and extraordinary items, including retrenchment payments, the net profit was down to 20m ringgit, from 24.8m ringgit.

A 21 per cent final dividend is to be paid, making an unchanged total of 28.5 cents for the year.

DMI proposes to make a one-for-two scrip issue, followed by a share split.

The company said there was no reason "for expecting a fundamental improvement in trading conditions," but added that it had invested heavily to make DMI one of the most modern plants in the Dunlop group.

* * *

A fourth quarter loss at DRG Inc, the Canadian operation of DRG the UK paper products group, depressed pre-tax income for 1983 to C$2.07m (£1.12m) against C$2.44m. Net income, however, rose 10.9 per cent to $1.55m ($1.4m) for the year.

The $1.32m pre-tax loss followed a strike at Flexible Packaging which resulted in sales falling 21.9 per cent on the 1982 final quarter to $20.5m. The previous three quarters had seen sales up 8.6 per cent and earnings up 46.7 per cent.

Sales for the year totalled $103.4m (£55.92m) against $102.53m. Earnings per share are shown at 43 cents (39 cents).

The company says that had the strike not intervened the improving trend would have continued through the fourth quarter.

Since the strike, which ended with the ratification of a two-year union contract, industrial relations have been excellent. Four further two-year union contracts had been ratified in the year without incident.

The envelopes, stationery and plastics divisions all improved contributions to profit.

* * *

A cut in interest charges enabled Burndene Investments to achieve higher taxable profits of £49,150, against £30,905, in the 27 weeks to December 3 1983.

At the operating level, profits fell from £288,424 to £253,049 on higher turnover of £4.37m compared with £3.57m. Interest charges were down from an adjusted £168,942 to £116,880 and depreciation accounted for £88,019 (£88,577).

The caravan manufacturing and site operating division increased both turnover and profits but margins in textile operations were under pressure from higher costs.

The directors say that the property division will make a useful contribution to profits, and anticipate that overall group result for the 12 months will be approximately double last year's £86,000.

Results of the group's two overseas subsidiaries were excluded from the interim results.

There was again no tax charge. Earnings per share were 0.48p (0.3p). There is still no dividend payment, the last being a 0.25p interim paid in respect of the 1979-80 year.

Results due next week

The four major clearing banks all weigh in with their financial results for calendar 1983 next week. Barclays opens the ledger on Monday, followed by National Westminster on Tuesday, Midland on Thursday and Lloyds on Friday. The Budget follows just days later and, with the spectre of ingenious new levies or tax charges hanging over the Big Four, the market will probably suspend judgment on the banks' prospects until March 13. The average increase in aggregate pre-tax profits for the four is expected to be around 15 to 16 per cent, though as always with bank profits, there is considerable variation in analysts' estimates.

Barclays, which made £405.2m pre-tax in 1982, is expected to announce profits around the £570m mark, with the net dividend up a couple of pence on last year's 22p.

Lloyds is expected to increase pre-tax profits from £322.8m to anything from £400m to £435m. The net dividend should be around 26.5p, up from 24.6p.

National Westminster's forecast profits range from £485m to £515m up from £439m, with a net dividend of around 31p up 2p.

Midland, which has had to suffer the problems of Crocker in the U.S., will show the most disappointing figures, though analysts feel the future looks much brighter. They expect a maintained 25.5p net dividend and pre-tax profits down from 1982's £251.4m by £20m to £30m. The market, in general expects a recovery on the domestic front, an increase in personal lending and perhaps a modest reduction in the level of domestic bad debt provisions. But overseas provisions will continue at high levels.

Forecasting Unilever's final quarter figures to end-December, due on Tuesday, is not a popular sport with analysts. Though underlying trading is fairly easy to predict, the full year figures regularly contain a dustbin of exceptional items, and figures are also restated to end-December exchange rates. The underlying tone will have been fairly flat; Unilever's margins in consumer goods are highly sensitive to the world economic cycle, and 1983 was not in that respect an exceptional year. But there will have been strong recovery in full year profits from the U.S. Lever Brothers—the group's biggest single operating subsidiary—should at long last have returned to the black, and Lipton and National Starch seem also to have been doing well. At end-1983 exchange rates, forecasts for the full year are in the range of £740-750m (1982, £726m).

Cadbury Schweppes has been devoting a lot of money lately to capital expenditure and acquisition. The market is looking for the benefits to come through to profits shortly, but the full year figures to end-December 1983, due on Thursday, are expected to be held back by interest charges due to that expenditure. Though trading profits should be well ahead, pre-tax is expected to be around £103m, against last year's £89.7m (though some forecasts run as high as £110m). In divisional terms, UK confectionery seems to have enjoyed an exceptionally good Christmas, and UK soft drinks, after a poor first half, had the benefit of a hot summer in the second six months. In the U.S., the Duffy-Mott acquisition has apparently been selling remarkable quantities of apple juice, and confectioners Peter Paul have been gaining market share.

Consolidated Gold Fields should again have good reason to be grateful to its humble aggregates subsidiary, Amey Roadstone Corporation, when the group's interim results are announced on Tuesday. ARC is expected to make strong gains on the back of UK economic recovery. In the U.S., Gold Fields should at least breakeven on its manufacturing operations, following last year's disposals and upheavals. Revenues for the half from South African gold mines are likely to be in line with last year, given a similar average gold price. On this basis, the City is looking for around £42m pre-tax, up 40 per cent on an exceptionally depressed £29.7m, and a maintained 8.5p dividend.

Fisons' pharmaceutical profits get better and better. Preliminary results for 1983, due on Tuesday, should show pharmaceuticals with 65 per cent of group profits, making the major contribution to improve second half trading. The UK horticultural business, hit by poor weather in the first half, should also benefit from better summer and autumn sales. But the North American commodity peat business is not expected to have made much of a recovery. Profits will gain from reduced interest charges following the recent rights issue and the disposal of the fertiliser and agrochemical businesses. Pre-tax profits are expected to be £31m (£21.1m) and the final dividend may be up 1.9p at 9p.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Alliance Trust	Friday	3.75	5.55	4.0
Antofagasta Holdings	Tuesday	—	—	—
Barclays Bank	Monday	11.0	11.0	11.5
Barlow Holdings	Wednesday	1.0	3.0	1.0
Bensons Crisps	Tuesday	—	—	—
Black and Edgington (Holdings)	Monday	—	—	—
British Vita	Monday	2.7	3.7	2.9
Cadbury Schweppes	Thursday	1.4	2.5	1.5
CCS Investment Trust	Wednesday	3.25	4.5	3.5
Coral	Thursday	1.5	2.0	1.5
Davies and Metcalfe	Thursday	0.57	1.54	0.63
East Rand Consolidated	Monday	—	1.15	—
Ericsson (Telefonaktiebolaget)	Thursday†	—	7.5	—
Fife Indmar	Thursday	1.3	5.0	1.4
Fisons	Tuesday	5.0	7.5	5.0
Fleming Mercantile Investment Trust	Tuesday	0.72	2.03	0.72
General Mining Union Corporation	Friday‡	55.0	120.0	50.0
Isle of Man Enterprises	Monday	—	4.0	—
Johnstones Paints				
Jourdan, Thomas	Wednesday	2.5	5.5	2.5
Koda International	Friday	2.32	5.68	2.6
Lloyds Bank	Friday	9.92	14.88	10.86
Midland Bank	Thursday	8.0	17.5	11.0
Mount Charlotte Investments	Tuesday	—	0.99	—
National Westminster Bank	Tuesday	10.6	18.4	11.4
Needlers	Thursday	—	4.0	—
New Equipment	Monday	0.75	0.8	0.35
Novo Industri AS	Monday†	—	17.0	—
Phicom	Wednesday	0.25	0.25	0.3
Philips' Lamps Holding	Thursday††	0.6	1.2	0.8

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
Provident Financial Group	Tuesday	2.42	5.58	3.0
Ransomes Sims and Jefferies	Monday	3.14	8.86	5.0
Ena Brothers	Tuesday	0.45	0.8	0.45
Scuso	Tuesday	—	—	—
Silverthorne Group	Tuesday	0.5	1.25	0.5
Systems Designers International	Thursday	—	1.5	0.8
Unilever	Tuesday††	4.44	7.60	4.44
Waterford Glass Group	Wednesday	0.8	0.811	0.6
Wattes, James	Tuesday	1.5	2.812	1.5
INTERIM DIVIDENDS				
AAH Holdings	Thursday	2.205	3.41	
Biovilla Europe	Friday	1.75	3.15	
Christy Bros.	Friday	—	—	
Consolidated Gold Fields	Tuesday	8.5	16.0	
Framlington Group	Thursday	—	3.0	
Galliford	Thursday	0.7	2.3	
Grosvenor Group	Tuesday	2.0	3.25	
Harmony Gold Mining	Friday	—	—	
Harrisons Malaysian Plantations	Thursday‡‡	—	8.0	
Link House Publications	Friday	4.5	9.4	
Medminster	Wednesday	1.5	2.8	
Makin J. and J. Paper Mills	Monday	1.0	2.8	
News International	Monday	3.0899	3.4987	
Parker Knoll	Monday	2.5	8.0	
Scottish and Mercantile Investment	Tuesday	2.0	5.7	
Sinclair, William	Thursday	1.5	2.75	
Yarrow	Friday	2.5	7.5	
Zambia Copper Investments	Friday	—	—	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † Kr per share gross. ‡ Kr per share net. †† Fl per share gross. ‡‡ In Malaysian dollars. § Cents per share.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Control of London Brick passed to Hanson Trust following the success of the latter's twice amended bid for the fletton brick manufacturer. Hanson has acceptances from holders of 58.6 per cent of the LB equity and has replaced London Brick as a constituent of the Financial Times Industrial Ordinary share index.

H. Samuel made an agreed £29m cash bid for fellow high street jeweller James Walker Goldsmith and Silversmith. Samuel, which announced that it was in talks with Walker at the start of last month, is now offering 158p for each voting share and 131p for each non-voting share. The Walker board is recommending acceptance and has pledged its aggregate holding of 6.2 per cent of the voting shares and 3.4 per cent of the non-voting.

Albert Martin, the Nottingham-based textile manufacturer which supplies Marks and Spencer, rejected a £3.5m bid from Wilson and Co., a privately-owned Hong Kong holding company. Wilson already owns a near-5 per cent stake in Martin and is offering 42p per share cash for at least a further 45.03 per cent of the equity.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Aero Needles	60*	81	43	2.56	Coats (J. & P.)
Alexanders Discnt	572	543	453	29.67	Mercantile Hse
Ascot Leisure	166§§	164	150	46.00	Pleasurama
Ault & Wiborg	46*	47	33††	4.70	Sun Chemical
Bassett Foods	140	160	99	15.91	Avana
Black (Michael)	63§§	67	47	2.33	Emess Lighting
Black (Michael)	68	67	55	2.54	Highgate & Job
Border Brew	175*	258	150	9.40	Burtonwood
Downs Surgical	49*§	48	38‡††	6.32	Smiths Inds
Dreamland Elect	28§	29	29	4.21	Valor
Edith	57*	57	47	56.95	Invs in Industry
GB Papers	73*	72	56††	5.45	James River Cpn
Hales Props	202	195	140	3.80	Belgrve (Blckhth)
Hanger Invs	55§§	52	34††	2.51	Cowie (T.)
Ingram (H.)	65*	365	80	1.02	Wasskon
Int Paint	255§	223	162	20.23	Courtaulds
London Brick	175	185	104	‡‡247.14	Hanson Trust
Martin (Albert)	42*	51	39	3.50	Wilson & Co
Maynards	250*§	225	198	6.34	Lewis E. Cartier
Miller F. (Textls)	51§	50	45	5.71	Vantona Viyella
Oil & Assoc Inv	***	140	137	***	Cluff Oil
Porter Chadburn	88*§	117	112	1.46	G. M. Firth
Prince of Wales Hotels	145*	145	117	7.90	Taddale Invs
Rosedimond Inc	53	55††	50	3.17	English Assocn
Rosedimond Cap	231	215††	185	5.88	English Assocn
Scan Data	126	117	100	2.83	Audiotronic
SIG Davall	47	44½	35	3.64	Vinten
Sperati (C. A.)	155*	330	170	0.09	Nash (P) & Alexander (J)
Stenhouse¶	133§§	131††	106	50.49	Reed Stenhse 'A'
Stylo	325*	278	311	32.38	Harris Queensway
Walker (James)	158*	159	152	14.11	Samuel (H)
Do. N/V	131*	130	122	14.84	Samuel (H)

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ‖ Loan stock alternative. ** Based on 2/3/84. †† At suspension. ‡‡ Estimated. §§ Shares and cash. *** Related to N.A.V. to be determined.

Rights Issues

Applied Computer Techniques to raise £17.2m by a one for four rights issue at 530p per share.

TSL Thermal Syndicate to raise £1.1m by way of a one for three rights issue.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Berisfords Group	Dec	728	(806)	12.2	(17.5)	2.6	(4.4)
Bryant, Derek	Dec	1,090	(710)	25.4	(14.5)	6.0	(5.25)
Coleman Milne	Dec	525	(418)	5.1	(5.6)	1.7	(1.5)
Consult (Cmp Fn)	Dec	496	(125)	42.5	(8.3)	6.0	(3.0)
Edmond Holdings	Dec	620	(2,120)L	2.12	(—)	1.05	(1.0)
General Acc	Dec	65,600	(44,500)	—	(—)	19.0	(17.0)
DJ Sec Alarms	Oct	210	(115)	5.67	(3.4)	1.0	(—)
Heywood Wms	Dec	2,350	(845)	21.7	(8.0)	5.5	(3.0)
Independent Nws	Dec†	3,000	(2,540)	15.8	(17.0)	11.0	(11.0)
Kennedy Brookes	Oct	1,166	(565)	23.4	(17.6)	1.4	(1.23)
Law Deb Corp	Dec	2,060	(2,020)	5.5	(5.3)	4.75	(4.5)
Macpherson, D.	Oct	1,320	(1,350)	0.6	(3.0)	2.25	(4.2)
Marley	Dec	28,180	(12,070)	8.9	(2.0)	3.2	(2.5)
Ratcliff's (Gt Brd)	Dec	311	(226)	—	(—)	1.75	(1.75)
Royal Insurance	Dec	98,400	(96,500)	41.9	(38.7)	28.5	(26.5)
Sharpe W. N.	Dec	4,920	(5,000)	33.5	(39)	12.0	(9.0)
Tavener Rutledge	Dec	112	(219)L	5.5	(10.5)L	—	(—)
TFB	Dec	313	(—)	9.7	(—)	4.2	(—)
TSL Thermal Syn	Oct	1,600L	(918)L	—	(—)	1.0	(0.1)
United Glass	Dec	12,440L	(5,290)L	—	(—)	—	(—)
Vickers	Dec	19,500	(19,500)	14.0	(14.1)	8.0	(8.0)

Offers for sale, placings and introductions

Denmans—Coming to USM via a placing of 4,111,800 ordinary 25p shares at 162p each.

Dewey Warren—Coming to USM.

Our Price—Offering 1,633,500 ordinary 20p shares at minimum tender price of 150p.

Powerline International is joining the USM with an offer for sale of 32 per cent of the equity at 160p per share.

Robertson Research—Coming to the Stock Exchange.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Compco	Sept	469	(199)	—	(—)
Cont Microwave	Dec	201	(42)	1.5	(1.0)
Cope Allman	Dec	3,280	(882)L	2.0	(1.0)
Courtney Pope	Jan	550	(480)	2.0	(1.6)
Don Bros Buist	Nov	859	(397)	1.5	(1.25)
FII	Nov	574	(326)	1.75	(1.54)
High Point Serv	Nov	194	(173)	—	(—)
Hollis Bros	Dec‡	313	(1,477)L	—	(—)
Hoyle, Joseph	Sept	33	(32)L	—	(—)
Ind Fin & Inv Crp	Dec	146	(122)	0.85	(0.75)
Intereurope	Dec	528	(393)	1.54	(1.4)
Jackson, W.	Oct	359	(298)	—	(—)
Johnson Matthey	Dec‡	10,600	(10,400)	—	(—)
Kenyon Secs	Sept	160	(157)	3.13	(—)
Lister & Co	Sept	160	(319)L	—	(—)
Mitchell Cotts	Dec	3,450	(2,680)	1.5	(1.5)
Narborough Plant	Dec	188	(74)	—	(—)
Peters, Michael	Dec	253	(139)	0.79	(—)
Polytech Marina	Nov	425	(345)	—	(—)
Steaua Romana	Dec	111L	(20)	—	(—)
Stothert & Pitt	Dec	317	(196)L	—	(—)
Victor Products	Oct	508	(781)	1.6	(1.6)
VW Thermax	Dec	903	(1,300)	2.0	(—)
Watshams	Sept	603	(537)	4.13	(3.75)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net pence per share except where otherwise stated. † In I£. ‡ Figures for nine months. L Loss.

Scrip Issue

Narborough Plantations—Three for two scrip issue proposed.

CONTRACTS

London & Northern renews £45m hospital management

London and Northern's overseas hospital division, ALLIED MEDICAL GROUP, has renewed its hospital management contracts in the United Arab Emirates at an annual value of about £45m and is continuing its management consultancy services at the Riyadh and Al-Kharj Military Hospitals in Saudi Arabia. Allied Medical Group is part of United Medical Enterprises.

*

WILLETT has been awarded a further contract at the Gillingham Business Park. The project, which has been let by Grosvenor Estate Commercial Developments, involves construction of a £460,000 warehouse for Photo Productions. The single-storey building will provide 1,815 sq metres of warehousing. Work is to be completed in seven months. Willett is part of Trollope & Colls Holdings, UK building division of Trafalgar House.

*

CHAPMAN CASH PROCESSING has a £400,000 contract from British Home Stores for retail cash management systems. The company is to supply and instal 50 customised micro-computer based cash processing and management information systems at British Home Stores' sites throughout Britain. The system bridges the gap between point of sale and management information requirements by using the movement of cash and non-cash equivalents within a store to derive a statistical picture of item movement, cash flow, productivity and associated data.

EUROPEAN OPTIONS EXCHANGE

Series		March Vol.	Last	June Vol.	Last	Sep. Vol.	Last	Stock
GOLD C	$375	9	55	—	—	—	—	$400.25
GOLD C	$400	4	38 B	—	—	—	—	"
GOLD C	$425	22	25	—	—	—	—	"
GOLD C	$450	6	3 A	—	—	—	—	"
GOLD P	$350	8	1.50	—	—	—	—	"
GOLD P	$375	36	7.50	—	—	—	—	"
GOLD P	$400	41	10 B	—	—	—	—	"
GOLD P	$425	3	27 A	—	—	—	—	"
SILVER C	$8	13	1.70	1	2.10 B	—	—	$9.85
SILVER C	$9	4	0.80	7	1.40	5	1.60	"
SILVER C	$10	6	0.25	29	0.75	9	1.10	"
SILVER C	$11	8	0.10	2	0.35	—	—	"
SILVER P	$10	6	0.60	—	—	—	—	"
		April		July		Oct.		
ABN C	F.400	107	13.50	21	21 A	—	—	F.395
ABN C	F.420	153	6.10	53	11.50	—	—	"
ABN C	F.440	81	3.30	8	7	—	—	"
ABN P	F.340	79	1	4	4 A	—	—	"
ABN P	F.360	115	5.50	5	11.50 A	—	—	"
ABN P	F.380	65	11	5	21 A	—	—	"
AKZO C	F.110	144	6.80	41	11.80	—	—	F.104.70
AKZO C	F.120	126	3.50	22	7.80	32	12.50	"
AKZO C	F.130	53	1.80	80	5.30	—	—	"
AKZO P	F.90	81	1.60	9	4.60	—	—	"
AKZO P	F.100	49	6	10	9.50	1	12	"
AMRO C	F.65	108	8	—	—	—	—	F72.50
AMRO C	F.70	281	6 A	14	7.50	14	7.70 A	"
AMRO C	F.75	371	3	46	4.70	6	6.80	"
AMRO C	F.80	107	1.80	14	3	29	5.20 A	"
AMRO P	F.65	74	2	8	3.40	—	—	"
AMRO P	F.75	123	4.80	3	6	—	—	"
HEIN C	F.130	54	14.50	10	17.50 B	—	—	F137.50
HEIN C	F.140	78	9	—	—	—	—	"
HEIN C	F.150	72	5.50	3	10	—	—	"
HEIN P	F.130	132	4.40	3	6	—	—	"
HOOG P	F.45.20	21	1.50	60	2.70	—	—	F49.50
KLM C	F.170	88	14.50	—	—	—	—	F.175.50
KLM C	F.180	71	8	12	16	—	—	"
KLM C	F.190	76	6	10	13	—	—	"
KLM C	F.200	154	3.30	—	—	—	—	"
KLM P	F.150	132	3	—	—	—	—	"
KLM P	F.160	81	5	—	—	—	—	"
KLM P	F.170	102	8	—	—	—	—	"
KLM P	F.180	165	14.50	—	—	—	—	"
KLM P	F.190	163	22.50	2	23.10 B	—	—	"
PHIL C	F.40	66	8.10	6	8.70	—	—	F.46.70
PHIL C	F.45	201	4.80	403	6	48	7.10	"
PHIL C	F.50	721	2	113	3.50	148	4.30	"
PHIL C	F.55	200	0.90	—	—	—	—	"
PHIL P	F.40	52	0.70	10	1.80	6	2.30	"
PHIL P	F.45	305	2.40	22	3.40	8	4	"
RD C	F.130	87	28	18	30	—	—	F158
RD C	F.140	187	16.20	46	22	—	—	"
RD C	F.150	673	12.50	101	16	14	90	"
RD C	F.160	937	7.20	71	10.90	17	14	"
RD C	F.170	490	2.70	200	6.90	12	9.20	"
RD P	F.140	203	1.30	121	3.50	52	5	"
RD P	F.150	398	3.80	24	7.60	—	—	"
RD P	F.160	45	7.30	5	12.50 A	—	—	"

TOTAL VOLUME IN CONTRACTS 17,568

A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	9 %	Heritable & Gen. Trust	9 %
Allied Irish Bank	9 %	■ Hill Samuel §	9 %
Amro Bank	9 %	C. Hoare & Co. †	9 %
Henry Ansbacher	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10 %
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	■ J. Henry Schroder Wagg	9 %
Canada Perm't Trust	10 %	Standard Chartered ‖	9 %
Castle Court Trust Ltd.	9½%	Trade Dev. Bank	9 %
Cayzer Ltd.	9 %	TCB	9 %
Cedar Holdings	9 %	Trustee Savings Bank	9 %
■ Charterhouse Japhet	9 %	United Bank of Kuwait	9 %
Choulartons	10½%	United Mizrahi Bank	9 %
Citibank Savings ¶	10½%	Volkskas Intnl. Ltd.	9 %
Clydesdale Bank	9 %	Westpac Banking Corp	9 %
C. E. Coates	9½%	Whiteaway Laidlaw	9½%
Comm. Bk. of N. East	9 %	Williams & Glyn's	9 %
Consolidated Credits	9 %	Wintrust Secs. Ltd.	9 %
Co-operative Bank *	9 %	Yorkshire Bank	9 %
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		
■ Hambros Bank	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%, 1-month 6%. Fixed rate 12 months £2,500 9% £25,000, 12 months 9.5%.
† 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6½%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.

APPOINTMENTS

Barclays Insurance managing director

Mr Michael Pitcher has been appointed managing director of BARCLAYS INSURANCE SERVICES COMPANY and joint managing director of Barclays Insurance Brokers International, both wholly-owned subsidiaries of Barclays Bank. Mr Pitcher joined Barclays Bank in 1962 and since 1981 has been head of the cost control unit.

*

Lord Boyd-Carpenter, chairman of THE RUGBY PORTLAND CEMENT is to retire from the chairmanship and from the board at the end of the annual meeting on June 8. The board has elected Mr Maurice Jenkins, at present managing director and a deputy chairman, to be chairman and chief executive from that date. Mr Andrew Teare, at present deputy managing director, is to be managing director from the same date.

*

Mr Gerald H. Elliot has been appointed to the board of SCOTTISH UNIT MANAGERS as chairman. He is chairman of Christian Salvesen and also of Scottish Provident Institution.

*

Mr John F. Strong has been appointed to the newly-created post of manager, production, responsible for all of MARATHON's UK production activities. He was previously assistant to the president of Marathon Petroleum Company based in Findlay, Ohio. Mr Carl P. Giardini, deputy operations manager of Brae, has been appointed manager, Brae Projects, responsible for the design, construction and installation of the Brae "B" gas condensate production platform. Both are based in London. Marathon Oil UK is a wholly-owned subsidiary of Marathon International Oil Company.

*

Mr David Owen will retire from the board of GOMME HOLDINGS on May 31. Mr Richard Young has been appointed managing director from April 1.

*

Mr Eric Pountain, chairman of Tarmac, has joined JAMES BEATTIE as a non-executive director.

*

INTERCONTINENTAL HOTELS CORPORATION has appointed Mr Graham K. L. Jeffrey and Mr Peter Birchall as regional vice presidents, operations. Mr Jeffrey was appointed regional director operations, UK, in March 1981 and in 1982 undertook additional regional duties for Holland and Denmark. He joined the corporation in 1968, and has been general manager of the Hotel Inter-Continental London since 1974. Mr Birchall has been general manager of the Hotel Inter-Continental Paris since 1981 and was appointed regional director operations, Spain and Portugal in May 1982.

*

Mr Jack Francis, formerly general manager of Cawood Buildings Materials, has joined CROSSLEY BUILDERS' MERCHANTS, as chief executive, eastern region.

*

Mr James Edward Boyd and Mr Robert Gammie Crawford have been appointed part-time members of the CIVIL AVIATION AUTHORITY for a three-year term from March 1. Mr Boyd is director and financial adviser to the Denholm Group. Mr Crawford is chairman and managing director of several subsidiary companies in the Vlasov Group, including Shipping and Industrial Shipping (Holdings), Navcot Shipping (Holdings), Silver Navigation and Alva Shipping (Holdings).

*

Mr Barry Stobart Hook has joined the board of VOSPER THORNYCROFT (UK) as sales director following the retirement of Mr R. J. Potter. Mr Stobart Hook has been with VT since 1969. He became weapons group manager in 1977.

*

Mr H. T. Norrington, general manager, Barclays Bank, has been appointed a director of COMMERCIAL UNION ASSURANCE CO.

Economic Diary

TODAY: Chancellor Helmut Kohl and Herr Hans-Dietrich Genscher, West German Foreign Minister, start three-day visit to Washington. Mme Edith Cresson, French Foreign Trade Minister, starts Gulf tour in Abu Dhabi.

SUNDAY: Supreme Soviet election, Moscow. Eighth rocket in Ariane series to be launched, French Guiana.

MONDAY: Credit business figures (January). Retail sales (January final). Housing starts and completions (January). House renovations (fourth quarter). Lord Mayor of London attends London Chamber of Commerce and Industry's annual prize-giving at Mansion House. EEC Agriculture Ministers meeting (and March 6), Brussels. President Francois Mitterrand arrives for talks with Mrs Thatcher, Chequers. Mr Ian MacGregor, coal board chairman, attends Coal Industry Society luncheon, London. Chancellor Kohl to meet President Reagan, Washington.

TUESDAY: Provisional estimates of monetary aggregates (mid-February). London clearing banks' monthly statement (mid-February). Association of Metropolitan Authorities housing defects report, London. Mining unions meet Mr MacGregor on future of the industry, London.

WEDNESDAY: Advance energy statistics (January). NEDC meeting, London. Summit of industrially advanced countries, London (until March 9).

THURSDAY: UK balance of payments (fourth quarter). Provisional figures of vehicle production (February). EEC internal market meeting, Brussels. Women's affairs informal meeting, Paris. NUM executive meets, Sheffield. One-day strike threatened by public employees, Paris.

FRIDAY: Scottish Labour Party conference opens, Perth. Opec ministerial meeting, Vienna.

LONDON TRADED OPTIONS

Option		CALLS Apr.	July	Oct.	PUTS Apr.	July	Oct.
B.P. (*443)	390	58	63	—	6	10	—
	420	33	42	50	15	26	30
	460	10	17	30	38	43	48
Cons. Gold (*602)	460	150	153	—	1	4	—
	500	110	113	120	3	10	12
	550	85	77	80	13	23	67
	600	32	40	47	35	45	55
	650	8	18	28	64	72	80
Courtaulds (*136)	90	47	48	—	0¼	—	—
	100	37	36	—	1½	1	—
	110	28	30	—	1½	2	—
	120	18	21	—	1½	3	—
	130	11	15	12	4	5	7
	140	3	8	14	8	11	13
	160	2	4	6	26	28	30
Com. Union (*174)	140	36	40	—	1½	4	—
	160	20	28	27	5	8	11
	180	6	10	16	12	21	23
	200	2	6	7	33	36	37
G.E.C. (*186)	160	36	40	46	2	4	6
	180	18	28	34	8	11	13
	200	6	14	20	21	22	24
	220	2	6	—	36	36	—
	240	1½	—	—	—	—	—
Grand Met. (*348)	300	66	60	—	2	4	—
	330	30	37	43	6	12	17
	360	13	18	25	22	28	32
	390	4	—	—	50	—	—
I.C.I. (*588)	500	94	—	—	2	—	—
	550	53	66	76	6	12	16
	600	20	36	46	24	30	34
	650	5	15	24	66	72	78
Land Secur. (*276)	214	66	70	—	1	2	—
	236	48	48	—	2	3	—
	240	42	46	53	2	4	6
	257	26	29	—	3	7	—
	260	23	27	36	4	9	13
	280	8	14	20	12	18	21
Marks & Sp. (*233)	180	56	—	—	1	—	—
	200	37	41	—	2	4	—
	220	22	27	31	3	8	8
	240	8	12	16	11	15	18
Shell Trans. (*650)	550	110	116	—	8	10	—
	600	68	73	82	7	15	20
	650	30	42	63	23	28	33
	700	9	20	28	—	—	—

Option		CALLS May	Aug.	Nov.	PUTS May	Aug.	Nov.
Barclays (*526)	420	105	—	—	2	—	—
	460	65	77	—	5	11	—
	500	33	45	57	20	27	32
	550	16	20	30	48	58	67
	600	4	7	—	82	80	—
Imperial Gp. (*140)	110	54	—	—	1	—	—
	120	24	—	—	1	—	—
	130	16	20	—	2	3	—
	140	8	13	13	6	8	6
	160	3	6	8	21	23	25
LASMO (*316)	260	70	78	—	3	10	—
	280	53	65	—	8	17	—
	300	37	47	57	15	25	50
	330	16	30	38	30	46	48
	360	6	20	—	50	57	—
	390	4	—	—	—	—	—
Lonrho (*146)	100	48	50	—	1	1	—
	110	39	40	—	1	1	—
	120	30	32	—	1½	1½	—
	130	23	26	—	2½	5½	—
	140	17	18	21	6	8	10
	160	7	9	12	17	19	23
P. & O. (*276)	220	60	—	—	2	—	—
	240	42	48	—	3	6	—
	260	24	38	38	7	15	17
	280	14	21	28	14	26	27
Racal (*212)	180	38	46	—	3	6	—
	200	23	32	40	6	10½	14
	220	11	18	26	20	22	24
	230	5	—	—	—	—	—
	250	2	—	—	—	—	—
R.T.Z. (*662)	550	127	132	—	4	7	—
	600	80	90	—	10	16	—
	650	50	57	75	30	35	44
	700	23	35	40	60	74	80
Vaal Reefs (*$137)	100	37½	39	—	0¼	2	—
	110	28½	31	—	1	4½	—
	120	19½	23½	27	3½	6½	7½
	130	13½	17	19½	6½	10	12
	140	8	11	13	10½	14½	17

Option		CALLS Mar.	June	Sep.	PUTS Mar.	June	Sep.
Beecham (*331)	280	—	60	—	8	3	5
	300	35	40	47	2½	10	13
	330	11	20	27	10	20	30
	355	2½	—	—	27	—	—
	385	1	—	—	65	—	—
Bass (*318)	300	27	35	40	4	7	12
	330	6	13	20	18	23	28
De Beers (*$687)	750	145	155	165	2	11	16
	800	85	110	125	5	27	32
	850	60	75	100	15	45	52
	900	20	45	65	43	68	78
Guest Keen (*209)	160	52	53	57	1	2	3
	180	33	35	40	2	4	8
	200	16	23	28	4	8	16
	220	4½	15	17	13	21	28
Hanson (*183)	133	47	52	—	1	2	—
	147	33	38	—	1	2	—
	160	25	29	34	1½	4	7
	173	13	19	25	4½	8	11
	180	8	16	20	8	12	16
	187	4	11	16	11	16	18
	200	2½	8	12	20	24	27
Tesco (*180)	160	23	27	33	2½	4	5
	180	6	14	18	3	8	12

Mar. 2. Total Contracts. 3,474. Calls 2,471. Puts 1,003

* Underlying security price.

Continued from Page 22

National Semiconductor Corp 925 (29/2)
Nationale-Nederlanden £60½Φ (29/2)
Negl River Corp 12½ (29/2)
NI Cal Devpts 450 (24/2)
Nicholas Kiwi 167Φ 2 (29/2)
Nicron Resources 36 0 (27/2)
Novandra Mines £1½
North South Resources 47 50 2 (20/2)
Oakwood Intl. Petroleum 0½ (24/2)
Oilmin 80Φ (27/2)
Oriental Petroleum Minerals 8 0½Φ (28/2)
Overseas Chinese Banking Corpn 358½Φ (27/2)
Overseas Trust Bank 29 (29/2)
Pall Corp £10½ (20/2)
Pancontinental Pet. 19 (28/2). Opts. 0½Φ
Parker Drilling SU.S.8½Φ 6½ (27/2)
Patrick Pet. 300 (27/2)
Pecos Resources 340 (24/2)
Pepsico Inc £23½ (20/2)
Petroleum Secs Aust 124 (28/2)
Peugeot SA FF239.000 (28/2)
Phillips Petroleum £28½ ¼ (28/2)
Placer Devpt £11½Φ (20/2)
Pioneer Concrete 162
Poseidon 235Φ 5
Power Corp. Can. £10
Prime Computer £12½Φ (24/2)
Procter and Gamble £32¼Φ 3½ (28/2)
Raytheon £26
Queen Margaret Gold Mines 16 (26/2)
Reef Oil 130 (24/2)
Rembrandt Group £13¼Φ (27/2)
Repco 80 (20/2)
Royal Sturges 437½Φ
Schering-Plough Corp £25 0 (27/2)
Scientific-Atlanta 790Φ (29/2)
Score Resources 330 40 (26/2)
Sedco Inc £20½Φ (29/2)
Selangor Coconuts 117 (24/2)
Siemens P. G. SU.S.5 153½
Smith (Howard) 255Φ (27/2)
Smithkline Beckman Cor. £37½
Snap-On Tools Corpn £18½ (24/2)
Source Perrier FFr400.10Φ 490.80Φ (29/2)
Spargos Expln. 25½ 6½
Standard Oil of Indiana £36½ 73
Standard Oil of Ohio £31¼ 2½ (29/2)
Stirling Petroleum 7Φ 6½ (27/2)
Storts Mining 10Φ 20 (28/2)
Sun Hung Kai Co 12Φ (28/2)
Superior Oil £27.20Φ 27.30Φ (24/2)
Super Value Stores £17
Swire Pacific B 24½ (28/2)
Sydney Oil 26Φ
Syntex Cpn. £27¼
Target Petroleum Ord 56 (27/2)
Target Pet. ($A0.15) 16½Φ
Tasminex
Teck Cpn. 0 525
Terramar Resources 82 (29/2)
Treasury Valley Expln. 67
Umal Cons 235Φ (29/2)
Unilever N.V. (Fl.20) £56¼
United States Minerals Exploration 47 (24/2)
Valiant Consd 17 (26/2)
VAM 20 (20/2)
Village Main Reef 90 (26/2)
Volkswagenwerk AG DM210 (29/2)
Voltan Minerals 50Φ (29/2)
Wah Kwong Properties 5½Φ (24/2)
Wang Laboratories Class B £15¼Φ (24/2)
Washington National Corp SU.S.22Φ
Waste Management £23½Φ (27/2)
Westfield Minerals 110
Westmex 13½ (27/2)
Weyerhaeuser £16½Φ (27/2)
Wheelock Marden A 30½ 1 (26/2)
Wheelock Maritime Int B 1 (26/2)
Winthrop Investments 105 (29/2)
Woolworths ($A0.50) 157 (26/2)
World Intl. (Hldgs.) 19¼ (29/2)
Wormald Intl 210 (28/2)
Zone Petroleum 125 (24/2)

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange

Alliance Bldg Soc 11¼pc due 4.4.84 £100.009pc .014pc (28/2)
Arsenal FC £1 £400 500 10 (28/2)
Bell 5pcCumPf £1 32 4 (27/2)
Burad Intnl 10p 303 1
Cannon St Invs (20p) 4 5 ½
Carraun (10p) 12⅞ ⅝ (26/2)
Ceylon and Indian Planters (£1) 160 (27/2). 4.2pcCumPf (£1) 165 (27/2)
Channel Hotels and Props (10p) 50 2 (28/2)
Checkpoint Europe 245 50 (24/2)
C.I.C. Inv (1p) ⅞ 1 (26/2)
Comcl Bank of Wales (£1) 110 5 (29/2)
Corton Beach (10p) 41
Crusts (10p) 05 ¼ (20/2)
De Grucny (Aorsham) (£1) 300 (24/2)
Eastbourne Wtrwks (£20) (Max Div 4.8pc) £11.50 .75
Edensoring Invs (1p) 6½ 7 ¼
Farmer Stedall (10p) 169 90 (24/2)
Flightspares (10p) 325 30
Grampian TV (10p) 72 7
Granada 105 0 203 6 (20/2)
Greendon Tst 11pcLn 1076-85 £16½pc 0pc
HTN (10p) 30½ 1 ½ 2 (27/2)
Hard Rock Cafe (2p) 47 50 (28/2)
Hartley Baird (5p) 6 ½ ¾ 10 (29/2)
Hydro Hotel (Eastbourne) (£1) 300 10 (28/2)
Impact 51 ⅞ (29/2)
Jennings Bros 170 2 (27/2)
Jersey New Waterworks 2pcCum4thPf (£5) 74 (27/2). 5pcCumPf (£5) 105 (27/2). 5pcCum3rdPf (£5) 105 (27/2)
Jessel Tst (5p) 4¼ ¾
Leisure Invs (10p) 12 (24/2)
Le Riches Stores (£1) 200 5 (27/2)
Memcom Intl (10p) 102 5 (26/2)
Merrett (10p) 125 6 (29/2)
Norton Villiers Triumph (10p) 1½ 2½
Norwich Crematorium (10p) 7 12 (24/2)
Oldham Ests (50p) 90 6 (28/2)
Ouvah Highfields (£1) 60 5
Pahang Cons 45 7 (26/2)
Pittencrieff Pet £1 (25p pd) (24/2). £1 90 (24/2)
Plantation and Gen Invs 278 5
Portsmouth Water 4pcPerpDb £23pc 4pc (24/2)
Rangers FC (£1) £14 (20/2)
Red Rose Radio (10p) 24½ 5
Shepherd Neame A (£1) 570 3 (29/2)
Sinclair Research £38¼ 6
Sodastream (£1) £15½ ½ (24/2)
Southern Newspapers (£1) 205 7 (28/2)
Tiddale Invs (10p) 40
Thwaites (Daniel) (£1) 358 0 (20/2)
Utd Friendly Insce (10p) 340 60 (28/2)
Weetabix A (N-Vtg) 105 6½ (29/2)
Westech New (1p) (F/P) 15¼
Wolverhampton Racecourse 110 20 (20/2)

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration

Kenmare Oil Expl (£0.25) 6 (28/2)
Voyager Petroleum (UK) (10p) 40 5

UNIT LINKED QUOTATIONS

FUND	LIFE BID	LIFE OFFER	PENSIONS BID	PENSIONS OFFER
UK Equity Acc	116.5	124.8	120.7	127.1
Cap	118.5	124.8	119.7	126.1
Special Sits. Acc	113.6	116.6	113.6	116.6
Cap	113.2	116.2	113.4	119.4
Fixed Int. Acc	151.0	159.0	150.7	156.7
Cap	150.6	159.6	150.7	158.7
Cash Deposit Acc	102.5	107.6	102.8	106.3
Cap	102.5	107.9	102.7	108.2
Property Acc	104.2	109.7	104.4	109.9
Cap	104.2	109.7	104.4	109.9
N. American Acc	96.5	101.6	96.8	102.0
Cap	96.5	101.6	96.6	101.6
Pacific Basin Acc	139.6	147.0	138.0	145.3
Cap	137.5	144.6	137.0	144.3
Managed Acc	118.1	124.4	120.0	126.4
Cap	117.4	123.6	118.4	124.7

Over-the-Counter Market

1983-84 High	Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	125	—	6.4	5.1	7.3	9.5
158	117	Ass. Brit. Ind. CULS	138	—	10.0	7.2	—	—
78	62	Airsprung Group	71	—	6.1	8.6	20.3	20.3
38	21	Armitage & Rhodes	38	+1	—	—	—	—
320	141½	Bardon Hill	320	—	7.2	2.3	13.1	28.6
58	53	Bray Technologies	58	—	2.7	4.7	10.5	11.4
200	197	CCL Ordinary	197	—	6.0	2.5	4.6	6.3
151	121	CCL 11pc Conv. Pref.	147	—	15.7	10.7	—	—
365	100	Carborundum Abrasives	365	—	5.7	1.6	—	—
249	100	Cindico Group	103	—	17.6	17.0	—	—
83	45	Deborah Services	60	—	6.0	10.0	32.1	52.2
201	75	Frank Horsell	202	+1	—	—	6.5	13.9
188	75½	Frank Horsell Pr Ord 87	188	—	8.7	4.6	7.6	13.0
69	29	Frederick Parker	29	—	4.3	14.8	—	—
39	32	George Blair	35	—	—	—	—	—
80	46	Ind. Precision Castings	48	—	7.3	15.2	13.3	18.8
340	134	Isis Conv. Pref.	340	—	17.1	5.0	—	—
121	61	Jackson Group	118	—	4.5	3.8	6.2	12.2
242	189	James Burrough	240	—	11.4	4.8	13.3	13.6
345	275	Minthouse Holding NV	343	—	4.0	1.2	25.8	31.5
176	107	Robert Jenkins	107	—	20.0	18.7	12.4	8.4
74	60	Scruttons "A"	60	—	5.7	9.5	10.0	7.2
120	64	Torday & Carlisle	64	—	2.8	4.5	—	—
444	385	Travian Holdings	435	—	—	—	8.9	5.1
26	17	Unilock Holdings	18	—	1.0	5.5	11.8	17.1
92	65	Walter Alexander	87	−1	6.8	7.8	7.6	10.1
278	236	W. S. Yeates	238	+1	17.1	7.2	3.7	7.6

WORLD STOCK MARKETS

Early 15.3 rise on Wall St

PRICES MOVED sharply higher on Wall Street yesterday, when investors reacted favourably to Thursday's lower than expected rise in the nation's basic money supply.

By 1 pm the Dow Jones Industrial Average was up 15.39m to 1174.83, for a net rise of 9.73 on the week, while the NYSE All Common Index, at $91.96, rose 89 cents on the day and $1.47 on the week. Advancing issues held nearly a three-to-one lead over losers. Volume expanded 18.28m shares to 82.57m, compared with 1 pm Thursday.

Analysts said investors may also be encouraged by a House Tax Writing Panel's approval of a Bill designed to raise $50bn in revenue through 1987.

Thursday the Federal Reserve Board chairman said a $50bn reduction in the Federal deficit would cut interest rates by one percentage point.

Analysts say the Stock Market's recent weakness could be attributed mainly to worries over the current high level of interest rates, and the perception on Wall Street that Congress can do little about the Federal Budget deficit in a Presidential election year.

Volume leader Texaco moved up $2⅜ to $47⅞ on turnover of 1.7m shares—there has been recent takeover speculation about the company.

Gulf, which is believed to be getting down to its takeover talks, retreated $⅜ to $68⅞ on volume of nearly 1.7m shares.

Houston Natural Gas were $1⅜ to $52.

Stocks in Japanese firms were strong. Matsushita rose $3⅜ to $81⅞, Kyocera advanced $2½ to $86½ and TDK Electronics improved $2¼ to $58⅞.

Litton put on $1 to $59½, Heilemen were up $1½ to $22½, Ford Motor strengthened $1⅛ to $38⅞ and Macy's gained $1⅞ to $48.

THE AMERICAN SE Market Value Index was up 1.53 to 213.03, making a rise of 5.67 on the week. Volume expanded 1.57m shares to 5.35m, compared with 1 pm Thursday.

Canada

Stocks were higher at mid-session as optimism about U.S. Money Supply growth swept over from Wall Street.

The Toronto Composite Index was up 11.6 to 2,427.9, Metals and Minerals 9.7 to 2,236.1, Golds 57.1 to 4,585.6 and Oil and Gas 25.6 to 3,456.6.

Dome Petroleum firmed 5 cents to $4.25, despite its planned $950m write-off.

Tokyo

Prices rallied on "small-lot" bargain hunting. The Nikkei Market Average recovered 28.21 to 9,948.48 after posting the second biggest single-day loss this year of 110.43 on Thursday. Trading was thin at 210m (300m) shares.

The market was generally calm throughout the day as Foreign investors had not sold on a large scale despite the sharp fall on Thursday.

Dealers said, however, investors were psychologically depressed by the business failure of J. Osawa, and suspension of trading in shares of Mamiya Camera.

Electricals, "High-Priced" issues, Machine Tools and Communication Equipment firmed on bargain hunting.

Fanuc rose Y230 to 11,600 after a company spokesman said current profit in the year ending March 31 will be at a record high.

Sugars edged up on market belief recent recovery of White Sugar prices will help improve Refiners' business performance.

Cameras were generally higher, despite the announcement by the president of Mamiya Camera that the firm might seek court protection because of financial difficulties.

Hong Kong

Stock prices closed below the best on late position-squaring ahead of the weekend. Sentiment was bullish amid expectations that new issues of Elec and Eltek will be oversubscribed.

Brokers predicted a substantial oversubscription on the 112.50m 50-cents shares of Elec and Eltek, which will start trading March 21.

The Hang Seng Index was up 18.23 at 1,079.63, after rising 22.24.

Australia

A late recovery in Mining stocks left share prices mixed to higher in moderately active trading.

The All Ordinaries Index rose 3.1 to 726.3.

Prices started weak following two straight days of sharp declines, but the better trends on Wall Street and in London combined with better World Gold prices sparked a recovery.

Some bargain hunting was evident in Minings, but Industrials continued to be ignored.

The All Resources Index gained 5.8 to 540.9 and the Metals and Minerals Index 5.4 to 499.3.

Industrials continue to be under pressure, despite good earnings results released during the week.

Expectations of higher interest rates in Australia also hurt industrials.

G. J. Coles firmed 1 cent to A$3.66 following its 30 per cent profit gain to A$59.1m for the 26 weeks ended January 29.

Oil and Gas shares were marginally higher. Santos improved 16 cents to A$7.30.

Gold Mines were better, with Gold Mines of Kalgoorlie up 10 cents at A$10.50.

Germany

An early rise ran out of steam as operators began to show nervousness that Wall Street may react negatively to a $1.7bn rise in U.S. M1 money supply, seen as leaving the Federal Reserve Board under pressure on interest rates.

The Commerzbank Index, calculated midsession, gained 4.4 to 1,034.4.

Cosmetic Wella slipped DM 4.50 to 443, despite news of an expected higher profit in 1984 and an unchanged dividend on 1983 results.

Paris

Firmer, boosted by Wall Street's stronger close Thursday.

Banks, Financials, Foods, Constructions and Electricals were all firmer, while Engineerings and Shops were mixed.

Foreign shares were also firmer, especially Golds.

Americans, Germans and Oils were steady, while Coppers slightly eased.

Switzerland

Domestic shares quietly steady, with Banks performing slightly better than the rest of markets. Most investors were reluctant to take new positions.

Elsewhere, Motor Columbus, up SwFr 3 at 783, continued to benefit from recent reports its Mobag International subsidiary is close to a settlement with Iran over claims stemming from an unfinished construction project.

Swiss Bonds were also steady with the dollar's further decline failing to boost sentiment.

Among Foreign issues, dollar stocks were mostly higher in line with Wall Street. Gold Mining Financials were mixed.

Amsterdam

Mixed to higher in very quiet trading.

Mortgage Bank WUH fell further a Fls 29 to 93 on investors' disappointment the bank may not resume dividends soon. The bank hopes to return to profit this year following a support action.

Among Commercial Banks ABN closed Fls 1 off at 393, after rising Fls 6 ahead of announcing a 7 per cent increase in net 1983 profits.

Heineken were up Fls 1 at 137.5 on agreement on co-operation with a French brewer.

State Loans were higher.

Singapore

Mixed in thin turnover, with most operators sidelined awaiting details of possible tax changes in the Government's fiscal 1984 Budget, to be presented to Parliament after markets closed.

Interest focused mainly on small, more speculative issues. The Straits Times Index edged up 2.97 to 1,021.60.

Promet further improved six cents to S$4.66 on rumours of a possible free-scrip issue.

Closing prices for North America were not available for this edition.

Indices

NEW YORK

DOW JONES

	Mar. 1	Feb. 29	Feb. 28	Feb. 27	Feb. 24	1983-84 High	1983-84 Low	Since Compil'n High	Since Compil'n Low
♦ Industr'ls	1153.44	1164.53	1157.14	1179.05	1165.10	1281.20 (29/11)	1027.04 (6/1/83)	1281.20 (29/11/83)	41.22 (2/7/32)
H'me Bnds	70.15	70.28	70.31	70.43	70.64	77.84 (6/5)	60.65 (3/8)	—	—
Transport	515.82	611.11	510.31	500.47	510.89	612.63 (9/1/84)	414.24 (8/1/83)	612.63 (9/1/84)	12.32 (8/7/32)
Utilities	128.95	127.79	129.01	129.40	135.05	140.70 (9/10)	110.51 (5/1/83)	163.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000's	82,010	92,010	81,078	99,140	102,62	—	—	—	—

♦ Day's high 1165.46 (1171.36) low 1146.25 (1148.46)

Industrial div. yield %	Feb. 24	Feb. 17	Feb. 10	Year ago (approx)
	4.79	4.78	4.71	4.86

STANDARD AND POORS

	Mar. 1	Feb. 29	Feb. 28	Feb. 27	Feb. 24	1983-84 High	1983-84 Low	Since Compil'n High	Since Compil'n Low
Industr'ls	178.56	177.33	177.26	180.50	170.25	194.84 (10/10)	154.95 (1/1/83)	194.84 (10/10/83)	3.62 (30/6/32)
Comp'site	156.18	157.05	155.82	159.30	157.51	172.65 (10/10)	138.34 (3/1/83)	172.65 (10/10/83)	4.40 (1/6/32)

Industrial div. yield %	Feb. 29	Feb. 22	Feb. 15	Year ago (approx)
	4.01	4.08	4.03	4.22

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Texaco	2,843,400	45⅞	+ ⅞	Mobil	817,600	31½	+ ⅜
Gulf Oil	2,035,300	69⅞	+ ⅞	IBM	803,800	111½	+1¼
AT & T	1,765,900	17⅜	+ ¼	Ford Motor	775,700	37⅜	+ ⅜
Houston N. Gas	1,211,700	53¼	+4⅛	Diam Shamr'ck	730,600	19	+ ⅛
Exxon	864,500	39	+ ½	Xerox	728,300	40⅛	− ⅞

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar weak

The dollar fell sharply against the Japanese yen in currency markets yesterday in very busy trading. In the month up until Thursday, the dollar had fallen 6½ per cent against the D-mark, 4½ per cent against sterling, 2½ per cent against the Swiss franc but only 0.3 per cent against the yen and yesterday's sharp fall in the dollar-yen cross rate was viewed as a kind of catching up process.

Market sentiment towards the dollar is very bearish and will be difficult to reverse at the moment. Inflationary fears still dominate with high trade and budget deficits also exerting a decisive influence. The dollar closed at Y228.0 against the yen, down from Y233.40-00 Thursday and its lowest level since January 1983. Elsewhere the dollar fell to DM 2.5835 from DM 2.6090, a five-month low and SwFr 2.1540 compared with SwFr 2.1750. It was also down against the French franc at FFr 7.9625 from FFr 8.0375. On Bank of England figures, the dollar's index fell to 125.6 from 127.0.

Sterling improved slightly against the dollar but lost ground against European currencies. It opened at $1.4865 against the dollar but fell to a low of $1.4785. It closed at $1.4805-1.4815, a rise of 35 points. It fell against the D-mark to DM 3.83 from DM 3.8575 however and eased in terms of the yen to Y338 from Y345. It closed at SwFr 3.1925 down from SwFr 3.2150 and FFr 11.79 compared with FFr 11.87. On Bank of England figures, sterling's trade weighted index fell to 82.4 from 82.9, having stood at 82.6 at noon and 82.9 at the opening.

£ in New York (Latest)

	March 2	Prev. close
Spot	$1.4860-4870	$1.4860-4870
1 month	0.08-0.11 dis	0.10-0.11 dis
3 months	0.42-0.46 dis	0.42-0.44 dis
12 months	2.30-2.40 dis	2.17-2.22 dis

£ forward rates are quoted in U.S. cents discount.

OTHER CURRENCIES

Mar. 2	£	$		£ Note Rates
Argentina Peso	43.25-43.34	29.18-29.81	Austria	26.80-27.20
Australia Dollar	1.5655-1.5675	1.0555-1.0560	Belgium	80.65-81.45
Brazil Cruzeiro	1,789.4-1,799.5	1,207-1,213	Denmark	13.98-14.12
Finland Markka	8.2700-8.3040	5.5975-5.6025	France	11.75-11.85
Greek Drachma	149.70-150.10	100.65-100.95	Germany	3.81¼-3.85¼
Hong Kong Dollar	11.539-11.547	7.7770-7.7790	Italy	2370-2405
Iran Rial	129.40*	86.90*	Japan	329-334
Kuwait Dinar(KD)	0.4330-0.4340	0.2922-0.2925	Netherlands	4.30¼-4.34¼
Luxembourg Fr.	78.30-78.40	52.88-52.90	Norway	11.04-11.15
Malaysia Dollar	3.4475-3.4535	2.3190-2.3220	Portugal	193-202
New Zealand Dlr	2.2140-2.2190	1.4925-1.4946	Spain	217½-228½
Saudi Arab. Riyal	5.1995-5.2065	3.5085-3.5086	Sweden	11.44-11.54
Singapore Dollar	3.1350-3.1410	2.1090-2.1120	Switzerland	3.19-3.22
Sth. African Rand	1.7685-1.7705	1.1840-1.1955	United States	1.47¼-1.49¼
U.A.E. Dirham	5.4415-5.4490	3.6720-3.6730	Yugoslavia	188-205

* Selling rates.
** The rate on March 1 should have read 3.6720-3.6730.

THE POUND SPOT AND FORWARD

March 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4785-1.4905	1.4805-1.4815	0.10-0.12c dis	−0.77	0.41-0.46dis	−1.17
Canada	1.8500-1.8610	1.8520-1.8530	0.08-0.18c dis	−0.84	0.40-0.50dis	−0.97
Nethlnd.	4.31-4.34½	4.31¾-4.32¾	1⅛-⅞c pm	3.12	3⅛-2⅞ pm	2.89
Belgium	78.15-78.75	78.30-78.40	15-25c dis	−3.67	70-80 dis	−3.83
Denmark	14.00-14.09	14.04-14.05	1⅝-2⅝ore dis	−1.92	6⅞-8 dis	−2.12
Ireland	1.2440-1.2530	1.2460-1.2470	0.24-0.36p dis	−2.88	0.97-1.12dis	−3.35
W. Ger.	3.81-3.85	3.82½-3.83½	1½-⅞pf pm	3.52	3¾-2¾ pm	3.13
Portugal	191.75-194.00	192.50-193.00	270-675c dis	−28.30	720-1400ds	−21.90
Spain	220.25-221.50	220.45-220.65	170-190c dis	−9.79	525-565	−9.88
Italy	2378-2395	2380½-2382½	14¾-16¾lire dis	−7.94	50½-52½dis	−8.65
Norway	11.05-11.12	11.06-11.07	3⅝-4⅝ore dis	−4.07	10¾-11½dis	−4.02
France	11.77-11.85	11.78½-11.79½	6¼-6¾c dis	−6.11	21½-23½dis	−7.63
Sweden	11.45-11.52½	11.47-11.48	1½-2ore dis	−1.63	4½-5½ dis	−1.70
Japan	335½-347½	337½-338½	0.76-0.68y pm	2.56	2.26-2.14 pm	2.60
Austria	26.80-27.15	26.95-27.00	7½-6½gro pm	3.14	20½-18 pm	2.84
Switz.	3.18-3.22	3.18¾-3.19¾	1⅝-1⅜c pm	6.11	4½-4 pm	5.32

Belgian rate is for convertible francs. Financial franc 80.90-81.00. Six-month forward dollar 1.00-1.05c dis. 12-month 2.30-2.40c dis.

THE DOLLAR SPOT AND FORWARD

March 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4785-1.4905	1.4805-1.4815	0.07-0.12c dis	−0.77	0.41-0.46ds	−1.17
Ireland†	1.1875-1.1930	1.1885-1.1895	0.22-0.19c pm	2.05	0.72-0.54 pm	2.28
Canada	1.2493-1.2510	1.2495-1.2500	0.02c pm-par	0.10	0.07-0.05 pm	0.18
Nethlnd.	2.9085-2.9185	2.9160-2.9180	1.00-0.90c pm	3.92	3.02-2.92 pm	4.08
Belgium	52.70-53.00	52.88-52.90	11-14c dis	−2.84	34-38 dis	−2.73
Denmark	9.4650-9.4925	9.4700-9.4750	0.20-0.70ore dis	−0.57	0.10-0.40ds	−0.05
W. Ger.	2.5735-2.5870	2.5830-2.5840	0.96-0.91pf pm	4.35	2.83-2.78 pm	4.35
Portugal	130.00-130.70	130.00-130.50	175-375c dis	−25.33	450-900ds	−20.73
Spain	148.50-149.10	148.90-149.00	110-125c dis	−9.47	315-350dis	−8.93
Italy	1604-1612	1608-1609	9½-10lire dis	−7.17	28-30 dis	−7.32
Norway	7.4680-7.4925	7.4725-7.4775	1.80-2.30ore dis	−3.28	5.10-5.60ds	−2.86
France	7.9325-7.9775	7.9600-7.9650	3.70-4.20c dis	−5.97	13-14.50dis	−9.92
Sweden	7.7355-7.7600	7.7475-7.7525	0.40-0.90ore dis	−1.01	0.95-1.45ds	−0.62
Japan	226.45-233.45	227.95-228.05	0.67-0.63y pm	3.43	2.16-2.11 pm	3.75
Austria	18.16-18.24	18.18-18.20	6.00-5.60gro pm	3.83	18.25-17 pm	3.88
Switz.	2.1450-2.1665	2.1535-2.1545	1.22-1.18c pm	6.70	3.52-3.48 pm	6.52

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 54.60-54.70.

EXCHANGE CROSS RATES

Mar. 2	Pound Sterling	U.S. Dollar	Deutsche m'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.481	3.830	338.0	11.78	3.193	4.323	2382.	1.855	78.35
U.S. Dollar	0.675	1.	2.584	228.0	7.963	2.154	2.917	1608.	1.250	52.89
Deutschemark	0.261	0.387	1.	88.25	3.078	0.834	1.129	621.8	0.484	20.46
Japanese Yen 1,000	2.959	4.389	11.33	1000.	34.88	9.445	12.79	7046.	5.481	231.8
French Franc 10	0.848	1.256	3.249	286.7	10.	2.701	3.666	2020	1.571	66.43
Swiss Franc	0.313	0.464	1.200	105.9	3.693	1.	1.354	746.0	0.580	24.54
Dutch Guilder	0.231	0.343	0.886	78.20	2.728	0.739	1.	551.0	0.429	18.13
Italian Lira 1,000	0.420	0.622	1.608	141.9	4.951	1.341	1.816	1000.	0.778	32.90
Canadian Dollar	0.540	0.799	2.067	182.6	6.364	1.723	2.333	1286	1.	42.29
Belgian Franc 100	1.276	1.890	4.888	431.4	15.05	4.075	5.517	3040.	2.364	100.

MONEY MARKETS

Softer tone

A strong demand for sterling denominated paper pushed rates easier in the London money market yesterday. This fuelled speculated over the possibility of an early cut in clearing bank base rates, possibly on UK Budget day. This was underlined by a sharp drop in the average rate of discount at the weekly Treasury bill tender. This fell to 8.5909 per cent from 8.8473 per cent, its lowest level since May 1978.

Three-month interbank money was quoted at 9-9⅛ per cent down from 9 3/16-9 5/16 per cent and three-month eligible bank bills were bid at 8 11/16-8⅝ per cent from 8¾ per cent. Weekend interbank money traded at 9-9¼ per cent for much of the morning but fell away in the afternoon to finish around 2 per cent.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

The Bank of England revised its early forecast of a flat position to a shortage of around £50m. Factors affecting the market included maturing assistance and a take up of Treasury bills together draining £120m and Exchequer transactions a further £310m. There was also a rise in the note circulation of £215m.

These were offset by a £568m take up through sale and repurchase agreements under the temporary facility made available by the Bank. A maximum of £900m is available, introduced to offset a seasonal shortage of funds due to payments of Petroleum Revenue Tax. The repurchase agreement will unwind on March 30 and carry a rate equivalent to the average mid-market rate on one month interbank sterling deposits, which was 9⅛ per cent.

The Bank did not operate in the morning but gave £50m of assistance on its revised forecast in the afternoon, comprising purchases of £50m of eligible bank bills in band 2 (15-33 days) at 9 per cent.

Bids for the latest offering of £100m of Treasury bills totalled £609m, up from £488m the previous week and the average rate of discount fell to 8.5909 per cent from 8.8473 per cent. The minimum accepted bid was £97.855 up from £97.79 previously and bids at that level were met as to about 74 per cent. A further £100m of bills will be on offer next week, replacing a similar amount of maturities.

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Mar. 2 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	2-9¼	8⅞-9¼	7-9¼	6-8⅛	—	—	—	—	—
2 days notice	—	—	9-9⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 day notice	—	9-9¼	9⅛	8-9¼	9-9⅛	—	—	—	—	—
One month	9⅛-8[illegible]	9-9¼	9⅛	9¼	8⅞-9	9	8⅞-8[illegible]	8[illegible]-9	8⅞-8[illegible]	8⅝
Two months	9[illegible]-8⅞	9-9¼	8⅞	9¼	8½	8½	8½	8¾-8½	8[illegible]-8¾	8½
Three months	9-8[illegible]	9-9¼	9⅛	9¼	8½-8⅝	8[illegible]-8[illegible]	8[illegible]-8[illegible]	8[illegible]-8[illegible]	8[illegible]-8⅝	9⅜
Six months	9-8[illegible]	9[illegible]-9[illegible]	9[illegible]	—	—	—	—	8[illegible]-8⅝	8⅝-8[illegible]	9¼
Nine months	9[illegible]-9[illegible]	9[illegible]-9[illegible]	9[illegible]	—	—	—	—	—	—	—
One year	9[illegible]-9[illegible]	9[illegible]-9[illegible]	9[illegible]	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9⅝-9⅜	—	8[illegible]-8¾	9.55-9.75	9[illegible]-9[illegible]	9⅞-10[illegible]
Two months	9⅝-9½	—	9[illegible]-9¼	9.75-9.85	9[illegible]-9[illegible]	9[illegible]-10⅛
Three months	9⅝-9⅜	—	9⅛	9.85-9.95	9[illegible]-9[illegible]	9[illegible]-10⅛
Six months	9⅝-9⅜	—	9¼	10.1-10.2	8⅝-9⅝	8[illegible]-10⅛
Nine months	9⅝-9⅝	—	9⅜	10.3-10.4	—	—
One year	9⅝-9⅝	—	9½	10.45-10.55	9[illegible]-9[illegible]	10[illegible]-10⅝
Two years	—	10	—	—	—	—
Three years	—	10⅛	—	—	—	—
Four years	—	10¼	—	—	—	—
Five years	—	10⅜	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period January 4 to February 7, 1984 (inclusive): 9.493 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 9½ per cent from March 1, 1984. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rate for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rates of discount 8.5909 per cent. Certificate of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9¾ per cent; one-three months 9½ per cent; three-six months 9½ per cent; six-12 months 9¾ per cent. Under £100,000 9¼ per cent from March 1. Deposits held under Series 4-5 9¾ per cent. The rate for all deposits withdrawn for cash 7½ per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. March 2)

3 months U.S. dollars: bid 10 1/16, offer 10 3/16

6 months U.S. dollars: bid 10 3/8, offer 10 1/2

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Mar. 2	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	9-9⅛	9⅛-9½	9¼-9½	6[illegible]-6[illegible]	2¾-3	5⅜-5½	18¼-12¾	15¾-16⅝	9½-10	9¾-10½	6⅛-5⅝	9¾-10¼
7 days' notice	9[illegible]-9[illegible]	9[illegible]-9[illegible]	9⅝-9[illegible]	6[illegible]-6[illegible]	2½-2⅝	3⅛-5⅝	12½-13	13¾-17¼	12½-13½	11½-11½	6⅛-6⅝	10½-10¾
Month	9[illegible]-9[illegible]	9⅞-10	9⅝-9⅞	6-6⅛	3⅛-3½	5⅝-5¾	16⅝-13⅞	16⅝-17⅛	12¾-13¼	12-12¼	6[illegible]-6[illegible]	11-11½
Three months	9[illegible]-9[illegible]	10-10¼	9[illegible]-9	6[illegible]-6[illegible]	3⅝-3¾	5¾-5[illegible]	16½-17¼	17¼-17¾	13-13½	12-12¼	6[illegible]-6[illegible]	11¼-11¾
Six months	9½-9¾	10[illegible]-10[illegible]	10-10[illegible]	6[illegible]-6[illegible]	3½-4	5[illegible]-6[illegible]	16½-17¼	17½-18	12¾-13¼	12-12¼	6[illegible]-6[illegible]	11¼-11¾
One year	9[illegible]-9[illegible]	10[illegible]-11	10⅛-10⅝	6[illegible]-6[illegible]	4⅛-4¼	6[illegible]-6[illegible]	16-16⅝	18¼-18¾	12¼-12¾	12-12¼	6[illegible]-6[illegible]	11[illegible]-11[illegible]

Asian $ (closing rates in Singapore). Short-term 9 11/16-9 13/16 per cent; seven days 9 11/16-9 13/16 per cent; one month 9⅞-10 per cent; three months 10⅛-10¼ per cent; six months 10⅜-10½ per cent; one year 10 11/16-10 15/16 per cent. Long-term Eurodollars two years 11⅛-11⅜ per cent; three years 11⅞-12⅛ per cent, four years 12¼-12½ per cent; five years 12¾-12⅞ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

[illegible]

REVIEW OF THE WEEK

Strong rally staged on cocoa market

BY OUR COMMODITIES STAFF

COCOA PRICES rallied strongly towards the end of the week as traders had second thoughts about the brighter crop prospects that had sent values tumbling over the past few weeks.

The continuing slide took the May position on the London futures market down to £1,638.50 a tonne at one stage but by last night's close May cocoa was quoted at £1,736.50 a tonne, up £55 on the week, having reached £1,780 during the day.

Renewed weakness of sterling in mid-week triggered the turnround in sentiment but the scale of the rally was mainly due to a technical reaction against the previous sell-off, which had trimmed nearly £400 off nearby positions since the beginning of the year.

Some dealers thought the price fall, which was encouraged by signs of better-than-expected West African and Brazilian crops, might result in an upturn in demand leaving the supply-demand balance closer to previous forecasts than had been realised in the first flush of the better supply news.

Coffee futures prices were also strong, reflecting a continued shortage of supplies available for nearby delivery. After slipping to £1,911.50 a tonne early in the week the May position ended £53.50 up on balance at £1,982 a tonne.

The world sugar market continued its downward trend with the London daily raws price reaching a 10-month low of £107.50 a tonne before ending £2 down on the week at £112 a tonne. The low mid-week price resulted in export subsidies set at Wednesday's EEC tender reaching record levels.

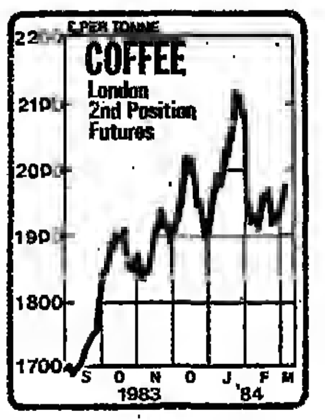
The market's weakness was attributed largely to forecasts of an increase in Common Market plantings this year, coupled with claims that some members of the International Sugar Agreement had been shipping amounts in excess of their agreed export quotas.

Base metals prices moved up strongly yesterday following the trend in gold.

Cash high grade copper gained £16.75 to £984.75 a tonne, to end the week £8.75 up on balance.

Zinc stocks were also down last week, but less than expected. This, together with the pound's strength and the ending of a strike at Amax's Sauget, Illinois, refinery, encouraged a fall in prices which took the cash quotation down to £640 a tonne at one stage.

Even after the fall, however, the cash premium over three months metal continued to reflect the tightness of nearby supplies and this provided further encouragement for a rally which left cash zinc £6.75 up on the week at £682.50 a tonne.



CRUDE OIL FUTURES

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per brl		
Apr.	30.30	−0.32	—
May	30.27	−0.06	—
June	30.20	−0.30	—
July	30.09	−0.15	—
Aug.	30.00	+0.09	—
Sept.	30.05	−0.08	—

Turnover: 0 (0) lots of 1,000 barrels.

SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.50-28.70	−0.02
Iranian Light	27.70-27.75	−0.15
Arab Heavy	26.70-26.85	−0.05
North Sea (Forties)	29.80-29.95	+0.07
North Sea (Brent)	29.80-29.90	−0.10
African Bonny Light	29.70-29.95	+0.07
PRODUCTS—North West Europe ($ per tonne)		
Premium gasoline	283-286	—
Gas Oil	252-256	+0.5
Heavy fuel oil	174-179	—

GOLD MARKETS

Gold rose $6 an ounce from Thursday's close in the London bullion market yesterday to finish at $399-399½. The metal opened at $397¼-397¾ and traded between a high of $400¾-401 and a low of $396¼-396¾. Trading was relatively quiet with the firmer tone underpinned by the dollar's weaker trend.

GAS OIL FUTURES

The gas oil market opened a shade higher and remained steady through the morning, reflecting stable physicals and a reluctance to sell while the Middle East remains tense. Weakness in New York encouraged some selling in London until a short-lived rumour boosted prices. More selling returned later and the market closed near the lows, reports Premier Man.

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Mar.	246.50	−1.75	248.75-46.50
April	246.25	−1.75	248.50-48.25
May	245.50	−1.25	247.75-45.50
June	245.00	−0.50	246.50-45.00
July	246.00	−0.50	246.50-45.00
Aug.	247.50	+0.50	248.25-47.50
Sept.	249.00	—	250.50-47.00
Oct.	252.00	+0.75	—
[illegible]	252.50	−1.50	—

Turnover: 1,371 (2,614) lots of 100 tonnes.

LONDON FUTURES

Month	Yest'days close	+ or −	Business Done
	$ per troy ounce		
March	405.00	—	—
April	403.00-05.50	+7.55	403.50-99.50
June	409.50-11.00	+7.60	409.00-05.70
Aug	416.50-21.00	+8.75	415.00
Oct.	422.50-25.50	+8.50	421.20
Dec	430.00-31.50	+7.10	—

Turnover: 577 (361) lots of 100 troy ounces.

Gold Bullion (fine ounce); Gold and Platinum Coins

[illegible]

BASE METALS

[illegible]

ALUMINIUM

[illegible]

COPPER

[illegible]

TIN

[illegible]

LEAD

[illegible]

ZINC

[illegible]

NICKEL

[illegible]

SILVER

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

POTATOES

[illegible]

RUBBER

[illegible]

COCOA

[illegible]

INDICES

FINANCIAL TIMES

REUTERS

MOODY'S

DOW JONES

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

AMERICAN MARKETS

NEW YORK, March 2.

Precious metals were strong on technical buying and on the positive psychology in the currencies; technically the market is pursuing new highs on this move above the $400 level for gold, reports Heinold Commodities. Copper prices were very strong on steady physical offtake. Aluminium was slightly higher on light short — covering in sympathy with other metals. Sugar prices advanced fractionally on bargain hunting in the belief that the market is heavily oversold. Cocoa finished mixed with profit-taking and producer selling the principal negative feature. Coffee was moderately higher on roaster interest as nearby supplies continue to be tight. Cotton was strong on the better than expected export sales and good domestic disappearance. Heating oil was highly erratic continually reacting to reports of action and denials of developments between Iran and Iraq; going into the close the market was marginally lower after repeated sharp price reversals. Grains and soyabeans rallied moderately on the strength in currencies finding also keen support on commercial buying which is being viewed by the trade as new interest by the USSR.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
March	69.85	70.00	69.30	69.55
April	70.20	—	—	70.00
May	70.65	70.90	70.20	70.50
July	71.80	72.00	71.75	71.65
Sept	72.90	73.25	73.00	72.75
Dec	74.45	74.70	74.70	74.25
Jan	75.00	—	—	74.75
March	76.05	—	—	75.75
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
March	990.2	995.0	970.0	965.0
April	997.2	993.0	990.0	973.3
May	1005.0	1003.0	985.0	981.0
July	1022.4	1025.0	1002.0	998.2
Sept	1040.0	1040.0	1020.0	1015.5
Dec	1067.0	1070.0	1049.0	1042.0
Jan	1075.0	—	—	1050.9
March	1095.0	1097.0	1079.0	1069.2
May	1115.5	1116.0	1116.0	1089.0
July	1136.5	1130.0	1125.0	1110.2

COCOA 10 tonnes, $/tonnes

[illegible]

COFFEE "C" 37,000 lb, cents/lb

[illegible]

COPPER 25,000 lb, cents/lb

[illegible]

COTTON 50,000 lb, cents/lb

[illegible]

CRUDE OIL (LIGHT) 42,000 U.S. galls, $/barrels

[illegible]

GOLD 100 troy oz, $/troy oz

[illegible]

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

[illegible]

ORANGE JUICE 15,000 lb, cents/lb

[illegible]

PLATINUM 50 troy oz, $/troy oz

[illegible]

SUGAR WORLD "11" 112,000 lb, cents/lb

[illegible]

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

[illegible]

LIVE HOGS 30,000 lb, cents/lb

[illegible]

MAIZE 5,000 bu min, cents/56lb-bushel

[illegible]

PORK BELLIES 38,000 lb, cents/lb

[illegible]

SOYABEANS 5,000 bu min, cents/60lb-bushel

[illegible]

SOYABEAN MEAL 100 tons, $/ton

[illegible]

SOYABEAN OIL 60,000 lb, cents/lb

[illegible]

WHEAT 5,000 bu min, cents/60lb-bushel

[illegible]

SPOT PRICES—Chicago loose lard [illegible] cents per pound.

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

‡ Bargains at special prices. ♦ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

STERLING ISSUES BY FOREIGN GOVERNMENTS

CORPORATION AND COUNTY

UK PUBLIC BOARDS

COMMONWEALTH GOVT

FOREIGN STOCKS (coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

COMMERCIAL INDUSTRIAL

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

Tyzack (W A) (10p) 32 (24/2)

UBM Go 7¼pcDb 1986-91 £78¼ (29/2)
Ulster Television A (25p) 146
Unigate 7¾pcDb 1988-91 £82 (29/2). 5pcLn 1991-96 £57⅛ (29/2). 8½pcLn 1991-96 £60:0
Unilever 6¾pcDb 1985-88 £84 ¼ (28/2). 5½pcLn 1991-2006 £53½. 7¾pcLn 1991-2006 £72¼ ½ ¾ 3 ¼
Union Intnl. 6pcPf (£1) 39 (29/2). 7pc Pf (£1) 51
Union Steel Corpn (of Sth. Africa) (R0.50) 88 (24/2)
Utd Biscuits (Hldgs) 8pcDb 1993-98 78¼ ½. 5¼pcLn 2003-08 £49¼ (28/2)
Utd Gas Inds 10¼pcLn 1998-2003 £83¼
Utd Newspapers 6pcPf (£1) 50½ (28/2)
Upton (E) & Sons (25p) 50

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

UNIT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

Burmah Oil 7½pcPf (£1) 84 5½. 8pcPf (£1) 79 ½ (29/2). 7½pcLn 1981-88 £93
Dome Petroleum NPV 229 (29/2)
ELF UK 12¼pcLn 1991 (£25pd—22/3/84) £29
Petranol (10p) 142 5 7 (29/2). New (10p) 1Fp/LA—13/4/84) 143 4 ¼ 5 5 5 7 8 9 ½ 50 1 ½ 2 3 5
Petroleos Mexicanos 14½pcLn 2006 £83½
Shell Transport Trading 5½pc1stPf (£1) 54. 7pc2ndPf (£1) 79

PROPERTY

Alliance Property Hldgs 9½pcDb 1992-97 £84¼ 3 ½ (29/2)
Allied London Properties 10pcPf (£1) 113½ (28/2)
Allnatt London Properties 8¼pc1stDb

Town Centre Securities 8pcLn 1996-2000 £105½ (28/2)
Trafford Park Estates 9pc1stDb 1991-96 £85 (29/2)
United Kingdom Property 8¼pcLn 2000-2095 £74¼ (27/2)
Webb (Joseph) 7½pcPf (£1) 90. 6pcDb 1985-90 £84

PLANTATIONS

Anglo-Indonesian 9½pcPf (£1) 205 8 13 Flts. Rate Ln 1985-88 £85 ⅛ ¼
Beradin (5p) 97
Doranicande Rubber Estates (10p) 265
Dunlop Plantations 6pcPf (£1) 37½
Guthrie Corp 7¼pcLn 1985-90 £66½ (29/2). 9¾pcLn 1992-97 £79 (28/2)
Hidong Estate (10p) 125

RAILWAYS

SHIPPING

UTILITIES

WATER WORKS

UNLISTED SECURITIES MARKET

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

Georgia-Pacific Corp ... (28/2)
Global Natural Resources 385 (24/2)
Golden Valley Mines 12 (24/2)
Gould Inc £19¼♦ (28/2)
Greenbushes Tin 72♦
Greyhound Corp U.S.$22⅞ (24/2)
Hartogen Energy 178
Hawk Investments 20♦ (29/2)
Hecla Mining U.S.$21⅞♦ (27/2)
Heineken NV £31⅞♦ (24/2)
Herald Weekly Times 196♦ (28/2)
Hewlett-Packard U.S.$35¼
Highveld Steel Vanadium 330
Hill 50 Gold Mines 27 (28/2)
Hitachi 237♦ 46♦ (27/2)
Hong Kong Electric Hldgs 57½
Hong Kong Telephone 395♦ (27/2)
Hooker Corp 116½♦ 16 (24/2)
Hospital Corp of America £26½ (24/2)
Husky Oil 579
ICI Australia 13‡ (24/2)
Indian Ocean Resources (1982) 48♦ (28/2)
Int Harvester U.S.$19½♦ (27/2)
Jardine Matheson Finance Warrants 13 (24/2)
Jardine Securities 76 (29/2)
Jimberlana Minerals (A$0.50) 21♦ (28/2)
Johnson Johnson £24¼♦ 3½ (28/2)
K Mart Corp £19¼ (24/2)
Kaiser Steel £27¾ (24/2)
Kerr McGee £22⅞♦ (27/2)
Killinghall Tin (Malaysia) Berhad 155 (28/2)
Lambda Technology 45½ 4 (27/2)
Lear Siegler £26¾ (24/2)
Leichhardt Exploration 11 (29/2)
Leonard Oil 19 (29/2)
Lightning Ridge Minings 3¼
Lilly (Eli) £43¾ (29/2)
Little Long Lac Mines £21 (29/2)
Litton Industries £38 (24/2)
Madison Fund £11⅛ (29/2)
Mandarin Res. Con. 4½ ...
Marriott Corp. £43⅝♦ (29/2)
McCarthy Group 220 (24/2)
McDonald's Corp £45 (27/2)
Meridian Oil 22♦ 20 (29/2)
Mid-East Minerals 56♦ 60 (28/2)
Midepsa Inc 27 (27/2)

Continued on Page 19

Insurances—continued

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

INTERNATIONAL COMPANIES and FINANCE

ABN lifts earnings for 1983

By Walter Ellis in Amsterdam

DESPITE continuing high provisions against debt, Algemene Bank Nederland (ABN), the largest Dutch commercial bank, yesterday announced net profits for 1983 7 per cent up, at Fl 385m ($130m). A second half dividend of Fl 13 per share has been proposed resulting in an unchanged final dividend overall of Fl 26.

Profits before tax and provisions rose by 12.8 per cent last year, to Fl 1,330m. Somewhat unusually for ABN—which has the largest foreign network of any Dutch bank—domestic activities accounted for a large part of the 1983 gross improvement. An increase in lending produced a higher income from interest, while the surge in transactions on the Amsterdam stock exchange last year resulted in a sharp jump in earnings from securities.

Provisions have been fixed at a record Fl 650m (Fl 648m last year) because of increased risks arising from foreign business.

Tax for 1983 came to Fl 283m (Fl 165m), and after minorities and allocation of 1982's undistributed profit, net profit per Fl 100 nominal share was Fl 47.13.

Toyo Kogyo in Colombian deal

TOKYO—Toyo Kogyo, the maker of Mazda cars, and Sumitomo Corporation, the trading house, have bought a combined 30 per cent interest in Compania Colombiana Automotriz, the Colombian car maker.

CCA was established in 1973 as a subsidiary of Fiat of Italy, but Fiat withdraw its capital in 1982, Toyo Kogyo said.

Reuter

Restructuring costs add to Klöckner-Werke deficit

BY RUPERT CORNWELL IN BONN

KLÖCKNER - WERKE, the troubled West German steelmaker, last night reported a total balance-sheet loss of DM 245m ($94m) for the year ended last September 30. It expressed the hope, however, that the current year would show an improvement.

The overall 1982-83 loss compares with one of DM 135m the previous year. Klöckner said that the figure reflected special charges and costs arising from restructuring. Even so, the operating loss at DM 110m was more than double the 1981-82 deficit.

The company is hoping to cover the loss in part from contributions from the Government's programme to restructure the national steel industry. Despite the setback, Klöckner's reserves were unchanged.

The comparative optimism for 1983-84 reflects a pick-up in demand for steel and higher minimum prices. The enduring steel industry crisis saw the Klöckner group's worldwide sales last year fall 2.7 per cent to DM 5.5bn.

Meanwhile, the Federal Cartel Office gave Klöckner the *green light for the proposed* merger of its open-die forging division with that of Krupp Stahl.

Voltas seeks further expansion

BY R. C. MURTHY IN BOMBAY

VOLTAS, a member of the Tata group, is looking overseas for technology in the fields of process foods manufacture and pollution control, as part of a diversification strategy aimed at high growth.

Last year Voltas introduced a 20-tonne rough-terrain hydraulic truck crane, produced with technical assistance from Harnischfeger of the U.S.

On a 3 per cent increase in sales turnover to Rs 3.81bn in the year to September 1983, profits before tax surged 26.6 per cent to Rs 132.4m ($14m). Post-tax profits rose by 16.8 per cent. The dividend was increased by 1 percentage point to 22 per cent.

Voltas is a diversified company with more than half a dozen divisions for manufacturing and marketing industrial and consumer products, both in urban and rural areas.

The mild recession is hurting the company's industrial equipment sales. But Mr A. H. Tobaccowala, chairman, said long-term prospects for the company were good, and no change was proposed in investment plans. A new refrigerator manufacturing unit and a new hermetic motor plant were being set up in the western state of Maharashtra, he said.

Swedish Match unit in acquisition

SWEDISH MATCH, the diversified industrial group, has strengthened its fast-growing packaging and consumer products division by acquiring the remaining 60 per cent of Finess—which sells a range of consumer goods in Europe and the Nordic region—from A. B. Klippans, writes David Brown in Stockholm.

Under the agreement, Akerlund and Rausing packaging group will also buy the soft paper production facility of Swedish Tissue from Klippans for an undisclosed sum. Swedish Tissue is a market leader in the Nordic region in napkins, table cloths and hygienic products with annual sales of SKr 300m ($38.5m). Akerlund and Rausing's consumer division, which markets a range of disposable table products has annual sales of about SKr 600m.

The Akerlund and Rausing group increased total sales by 33 per cent to SKr 1bn (roughly 20 per cent of the Swedish Match group total) by the eight month point last year, with profits up 18 per cent to SKr 58m. Pre-tax profits for the Swedish Match group grew almost threefold to SKr 202m in the same period.

Heineken in French venture

By Our Amsterdam Correspondent

HEINEKEN of Amsterdam, one of the world's largest brewing groups, has completed its negotiations with Brasseries et Glacieres Internationales of France over the *founding of a joint venture to* merge the two companies' French activities.

The resulting holding company will be known as Sogebra and should at once become the number two brewer in France, with an estimated 25 per cent of the total market.

Sogebra will comprise nine breweries, with a total annual production of 6.6m hectolitres *and a joint workforce of* 5,000.

Heineken, which has been expanding rapidly outside the Netherlands, will inject FFr 300m ($37.3m) into the venture as well as the *resources of its existing* French subsidiary, Heineken France. The Dutch group will, as a result, control 51 per cent of Sogebra. BGI will incorporate its two operating companies, Union Brasseries and *Pelforth*.

As well as Heineken Pils, Sogebra will produce Mutzig, "33," Pelforth, Panach (shandy) and the George Killian—the last an ale of Irish origin.

● The Dutch Central Sugar Corporation has announced a 20 per cent increase in net profits, to *Fl 37m ($12.6m)* for the financial year ending last September 30. Sales grew by 14 per cent, to a record Fl 1.1bn.

Earnings for the current financial year are said to be good.

Japan provides safety net for creditors of Osawa

BY TERRY POVEY IN TOKYO

THE JAPANESE Government is to use its loan and payment guarantee system in order to prevent any knock-on bankruptcies among creditors of J. Osawa, the failed trading *company*. Earlier *this* week Osawa applied to the courts for protection when it was unable to cover liabilities totalling Y110bn ($472m).

Mr Hikosaburo Okonogi, Minister for International Trade and Industry, said loans of up to Y60m would be made available from the Smaller Business Finance Corporation, and of up to Y14m from the People's Finance Corporation. The sums are twice the sixe of the loans normally made available by government-backed financing organisations.

Meanwhile Olympic, a fishing tackle company which is part of the Cosmo 80 group, said it was prepared to step in tohelp reconstruct the Mamiya Camera company. Mamiya has *also* aplied for court protection as a result of bad debts from Osawa, which has held sole marketing rights overseas for its cameras.

Cosmo 80 is a fast growing venture capital company which bought control of Olympic in order to obtain a stock market listing. It has been in the process of turning the fishing tackle company into a computer maker. Cosmo 80 has emerged at the centre of efforts *to save Mamiya from liquidation*.

IDC to shed Safmarine stake

BY OUR JOHANNESBURG CORRESPONDENT

THE Industrial Development Corporation, the South African state-owned development bank, is offering its 21m shares in Safmarine, the national shipping line, to other Safmarine shareholders at R6 each.

The IDC shareholding represents 40 per cent of Safmarine's equity. Other shareholders are being offered 67 new shares for every 100 they hold. The sale follows a directive from the *Government last September* after Safmarine had acquired an 18.75 per cent interest in Sun International, the casino and hotel company, gambling is banned in South Africa.

The disposal has been structured to ensure that control of Safmarine remains in South African hands. The major foreign shareholder is British and Commonwealth, which has about 21 per cent of Safmarine's equity. After the disposal of the IDC interests, about 79 per cent of Safmarine's equity will be held by South Africans and an unnamed South African institution will emerge as the largest individual shareholder. No shareholder will own more than 25 per cent.

In the six months ended December 31, Safmarine earned an interim pre-tax operating profit of R43.3m ($36m)

Wella boosts world revenue by 7%

WELLA, the hair care company which joined a wave of stock market launchings in West Germany last year, has boosted sales and profits, especially in the final quarter of the year, writes John Davies in Frankfurt.

The Darmstadt-based company said world sales revenue rose 7 per cent last year to more than DM 1.4bn ($536.6m).

Profits after tax rose about 11 per cent, according to provisional estimates, but it gave no exactly comparable figure for the previous year.

Just before the stock market launching, Wella put its group net surplus for 1982 at DM 52m, after some restructuring of its operations.

Wella launched about 24 per cent of its capital on the stock market in the form of non-voting preference shares.

It has estimated that these are owned by about 7,000 shareholders. About 54 per cent of the shares are held abroad, mostly in Europe and predominantly in Switzerland and the UK.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)

Britannia Gp of Unit Trusts Ltd (a) (c) (g)

Crown Unit Trust Services Ltd.

Savett (John) Unit Mngt. Ltd.

Legal & General (Unit Tst. Mngrs.) Ltd.

Midland Bank Group U.T. Mngrs. Ltd.

SKG Management Limited

Save & Prosper Group

Touche, Remnant Unit Trust Mngt. Ltd.

Trades Union Unit Trust Managers

[illegible]

INSURANCES

[illegible]

MARKET REPORT

Revival of interest rate hopes lifts Gilt-edged
Equities close with index near to record high

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Feb 13	Feb 23	Feb 24	Mar 5
Feb 27	Mar 8	Mar 9	Mar 19
Mar 12	Mar 22	Mar 23	Apr 2

* "New-time" dealings may take place from 8.30 am two business days earlier.

Interest rate hopes re-surfaced quite strongly yesterday with optimists waxing confidently about lower clearing bank base lending rates within the next fortnight. London stock markets naturally responded to the thoughts of cheaper money which originated from analysts' Budget speculation. Easier money market rates yesterday and finally news of the lowest weekly Treasury bill rate since May 1978, gave rise to further optimism.

Leading shares rose throughout the session and the FT Industrial Ordinary share index closed within a whisker of the January 25 record high with a gain of 10.6 to 838.8. The real weight of money, however, was directed towards Government securities. Overseas funds, still attracted by sterling's current trend against the dollar, competed with domestic cash and brought rises extending to ⅞ on longer-dated Gilts and to 1/16 among the shorts.

For the third time this week, the authorities sold supplies of the tap stock and then withdrew from being a seller at the price of £25⅞; remaining supplies of the issue, £25-paid Exchequer 9¾ per cent 1998, must be near to exhaustion. News of more Government funding at the official 3.30 pm close, via a £1bn issue of Exchequer 10 per cent 1989, designated "A," payable £40 on application at a minimum tender price of £98, made little lasting impact on sentiment.

Equities once again started slowly with investors, and particularly institutional operators, disinclined to follow Thursday's good upturn. The revived interest rate optimism coupled with further proof that nervous holders of Financial Issues were continuing to seek safer havens, and switching funds before the March 13 budget, brought a change of mood.

Life insurances rally

Secondary Electricals claimed attention after BSR's preliminary results and selected Store retailers figured prominently, but U.S. interest for current favourites, with the exception of Glaxo, tended to lessen. Life Insurance stocks steadied after Thursday's depression on fears that premium relief could be abolished soon, but closing gains were small in comparison with that day's heavy falls. Most clearing banks extended their recent downturn.

Life Insurances staged a modest rally after the traumas of the two previous days. Conditions remained extremely sensitive, however, and most issues faltered when early covering was satisfied. Pearl finished a net 5 dearer, but still 65 down on the week at 790p, but Sun Life recovered 25 to 600p. Legal and General regained 8 to 478p and Prudential 8 to 438p, after 444p. Hambro Life were only 3 dearer at 428p. Composite Insurances continued to draw strength from the General Accident and Royal Insurance trading statements; the former rose 10 more to 478p, while the latter gained 20 for a two-day rise of 38 to 540p. GRE firmed 8 to 522p, but Phoenix shed that much, at 442p, as bid hopes continued to fade.

Budget tax fears prompted another shake-out among the major clearing banks, all of which announce their preliminary figures next week. A late rally helped quotations close a shade above the worst, but Barclays, 520p, and NatWest, 710p, both settled around 12 lower. Lloyds closed 8 off at 572p, but Midland, which encountered a brisk two-way business throughout, ended 3 dearer on balance at 385p. Currency influences helped Irish banks. Bank of Ireland rose 10 to 335p and Allied Irish firmed 5 to 167p. Elsewhere, Royal Bank of Scotland lost 13 to 220p on suggestions that Lloyds Bank was under pressure to reduce its stake in the group.

Oil and gas exploration company Petranol, which staged a successful market debut on Wednesday, gained 18 more to 166p, after 168p, compared with the offer-for-sale price of 125p. USM quoted Circaprint, a manufacturer of quality printed circuit boards rose 8 to 98p. Hanson Trust 8 per cent Convertible 2004-09, issued in connection with the successful bid for London Brick, attracted another brisk business and rose 2¼ points to £108.

Breweries finished the first leg of the Account in quietly firm mood. Bass were again to the fore and rose 8 for a two-day gain of 13 to 318p. Whitbread, 143p, and Grand Metropolitan, 348p, rose 5 apiece. Regionals continued to feature Border which advanced 18 more to 258p in the wake of Thursday's news that a third party had entered the bid situation. Elsewhere, Arthur Bell, neglected of late following the takeover of Gleneagles, responded to steady demand and closed 8 up at 153p.

Enthusiasm for leading Buildings increased and stock shortages often exaggerated gains. Recently overlooked, Blue Circle encountered revived demand and rose 8 to 435p, while Rugby Portland Cement, additionally boosted by the Australian subsidiary's good results, added 2½ to 112½p. Tarmac firmed 8 to a 1983-84 peak of 480p and Redland improved the same amount to 274p. Among Contracting and Construction issues, Taylor Woodrow continued to attract support and gained 15 more to 710p, while Barratt Developments hardened 4 to 166p and George Wimpey a penny to 159p. Derek Crouch reported satisfactory annual results and moved up to 90p before profit-taking left the close only 3 dearer on balance at 83p. William Leech continued to trade briskly amid rumours that a sizeable stake had changed hands and the shares touched 100p before settling a net 2 up at 96p. Brick concerns moved higher on bid hopes. Ibstock Johnsen put on 9 to 210p and Blockleys rose 7 to 385p, the latter in a restricted market. Elsewhere, Burnett and Hallamshire rose 10 to 195p.

A combination of domestic and U.S. demand lifted ICI 8 for a two-day gain of 20 to 592p. Demand in front of next Monday's annual results lifted Novo Industries B 8½ points to £187½.

Burton feature

Retailers attracted steady support throughout the session and closed at the day's best. Burton advanced 12 to a 1983-84 peak of 234p, with the Warrants 16 dearer at 176p following publicity given to a visit by brokers Buckmaster and Moore; sentiment was also helped by talk that the recent winter sale had exceeded expectations by some 30 per cent. Enthusiasm spread to other clothing chains with J. Hepworth 9 up at 247p and Austin Reed A 6 better at 146p. Aquascutum, due to announce preliminary results next month firmed 4 to 54p and the A 3 to 35p. Investors showed renewed interest in Marks and Spencer, 6 up at 235p, and Vantona Viyella, 8 dearer at 230p, while persistent demand in a market none-too-well supplied with stock lifted Woolworth 17 for a five-day gain of 39 to 417p. Superdrug attracted a lively after-hours' business to close a net 17 better at 285p and Executex revived with a gain of 3 to 37p. Button and trimming import/export agency C. A. Sperati were marked 160 higher to a basic price of 330p on hopes of a "shell" operation in the wake of the offer of 155p cash per share from Messr P. Nash and J. Alexander.

Encouraged by a broker's review of the sector and by the sharp recovery in BSR's annual profits, Electricals shares recorded widespread and sometimes substantial gains. Many of the day's rises, particularly in the high-technology stocks, were accentuated by stock shortage. BSR ended 18 to the good at 253p, while Cable and Wireless featured with a rise of 17 to 345p. Telemetrix responded afresh to the formation of a new subsidiary to manufacture specialist terminals for the videotex market with a further rise of 19 to 294p. STC advanced 12 to 322p, while Suter, in which Christopher Moran recently increased his stake, advanced 15 to 146p. Farnell advanced 18 to 400p and rises of around 15 were achieved by United Scientific, 275p, Unitech, 275p, and Kode, 263p. Telefusion, in contrast, reacted 8 to 54p on lower interim profits. Leading issues tended to be left out of the picture, although BICC, due to report preliminary figures later this month, rose 10 more to 285p. Thorn EMI were also noteworthy for a rise of 15 to 645p.

Selective buying interest was evident in the Engineering sector. Glynwed made further progress to 156p, up 6, while revived demand lifted Birmid Qualcast 5½ to 87½p. Other bright spots included Mollins, 10 to the good at 142p, and Carclo, 8 higher at 130p. Among the leaders, GKN, due to report preliminary figures on March 14, improved 5 to 210p.

Leading Foods displayed moderate gains across the board. Rowntree Mackintosh rose 4 to 244p and Cadbury Schweppes improved a penny to 129p; the latter's preliminary results are due next Thursday. Buying ahead of the interim figures, due shortly, lifted Brooke Bond 3½ to 85½p, while late demand left Unigate 3 dearer at 121p. J. Sainsbury revived with a gain of 8 at 470p and Kwik Save firmed 6 to 174p. Bid favourite Cullens "A" attracted speculative demand and gained 18 to 163p. Elsewhere, profit-taking in the wake of the annual results left Taverner Rutledge 4 off at 44p, while recently-firm Associated Fisheries slipped 2 to 97p, after 95p.

U.S. demand for Glaxo

Glaxo, among Miscellaneous Industrial leaders, enjoyed fresh demand from the U.S. and put on 30 to 795p. Hanson Trust were lively again at 184p, up 8½, while support was also forthcoming for BTR, which improved 11 to 443p. Elsewhere, speculative buying prompted a rise of 9 to 165p in Hoskins and Horton and left Hollis Bros 7 dearer at 53p. Consultants responded afresh to the good results and capital proposals, rising 20 to 710p. Rumours of a stake changing hands gave rise to take-over talk in Emray, 3½ higher at 18p. Demand in a limited market left AGB Research 18 to the good at 325p, while other outstanding movements included Datastream, 15 up at 280p, and Manchester Ship Canal, 7 better at 229p. In contrast, British Aerospace, unsettled by suggestions of a possible rights issue following details of the funding arrangements for the A-320 Airbus, reacted 12 to 230p, after 226p. A recommendation to take profits caused Applied Computer to fall 17 to 663p and the new nil-paid shares to drop 32 to 148p premium.

Among Leisure issues, Pleasurama moved up 33 to 388p following the Monopolies Commission's green light for its agreed bid for Associated Leisure, 10 higher at 164p. Campari attracted support and put on 5 to 43p, but Aspinall slipped 4 to 138p.

Motor and Aircraft component manufacturers closed on a firm note with Dowty 6 up at 137p and Flight Refuelling 7 dearer at 267p. Armstrong Equipment rose 3 to a new 1983-84 high of 33½p. Elsewhere, ERF were wanted and improved 4 to 44p. Among subdued Distributors, Kenning revived a few pence to 118p.

Properties stayed firm, but the level of business was only moderate. Land Securities and MEPC both improved 3, to the common level of 278p. Hammerson "A" hardened 5 to 805p. Among secondary issues, Rosehaugh revived with a gain of 10 to 375p, while Rush and Tompkins continued to attract speculative support and added 4 more to 246p.

Shell gain ground

A generally firm Oils sector was highlighted by a strong performance by Shell, which advanced to close a net 18 firmer at 658p, after 660p; this reflected a buoyant performance by associate Royal Dutch on Continental exchanges together with renewed concern over the possible closure of the Strait of Hormuz. Royal Dutch moved up £1⅜ to a year's best of £36⅜. BP rose to 445p initially following the promising news from the four gas discoveries in the North Sea, but eased to close unchanged on balance at 440p. Elsewhere, Ultramar attracted good support, adding 10 at 690p ahead of the full-year results expected on March 14. Tricentrol were finally 3 cheaper at 207p and LASMO 2 off at 315p, but Britoil hardened 2 to 252p. Further consideration of the recent American drilling success boosted Canada's Night Hawk Resources 30 more to 600p.

Among Overseas Traders, Lonrho returned to favour and advanced 6 to 147p, while Inchcape rose 5 to 335p. Sime Darby hardened 1½ to 81½p awaiting today's interim results.

Plantations continued to make progress, although interest remained selective. Consolidated Plantations rose 4 to 101p and the Warrants 25 to 312p. McLeod Russel hardened 3 to 265p.

Golds improve

Initially quiet mines staged a good rally in late afternoon trading following rumours that the Iranians had closed the Strait of Hormuz.

South African Golds showed little inclination to move ahead throughout the morning as a marginally firmer bullion price elicited only a modest response from recent sizeable buyers in Johannesburg and on the Continent.

Consequently share prices drifted easier but thereafter rallied sharply on the Middle East news to close with widespread, albeit minor, gains on balance. The upturn continued well into the evening as U.S. buyers appeared on the scene.

The Gold Mines index showed a 1.2 rise at 673.5—a week's gain of almost 17 points.

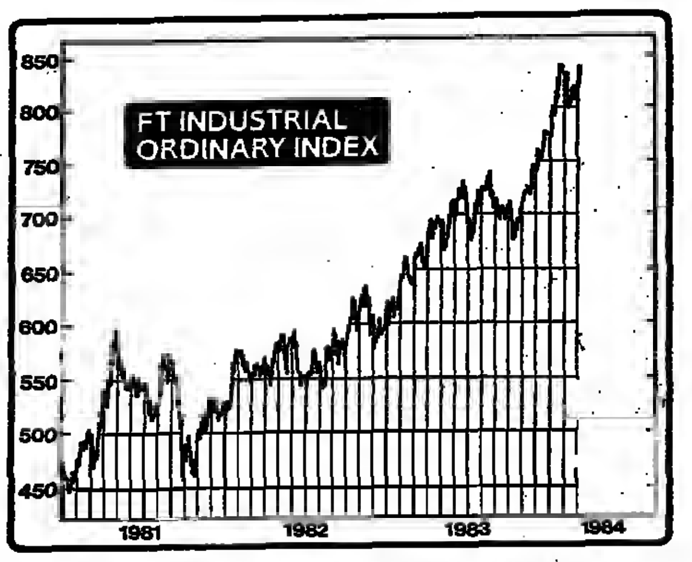
Bullion was finally a net $6 firmer at $399.25, having moved above the $400 level at one point.

Vaal Reefs were particularly firm in late trading and advanced £2⅛ to £93⅛, while Free State Geduld rallied from £30⅛ to close £1⅜ up on balance at £32⅛. St Helena closed almost a full point to the good at £26⅛ and President Brand added a half-point at £32⅛.

London Financials made rapid progress throughout the afternoon and closed with strong gains, boosted by the late strength in golds, firm precious and base metal prices and another good performance by domestic equities. Rio Tinto-Zinc surged ahead to close 18 higher at 662p, while Consolidated Gold Fields added 12 at 600p, the latter ahead of the interim results due on Tuesday. Charter put on 7 to 232p and Hampton Areas 2 to 225p.

In Diamonds De Beers recovered an early decline and closed 8 better at 603p following late U.S. support; the company's full-year results are expected later this month. The recent poor performance of Australians was arrested in mid-afternoon with heavy buying reported throughout the leaders. Western Mining moved up 6 to 254p while similar gains were seen in Bougainville, 157p, MIM, 215p and Peko-Wallsend, 350p. Golds were prominent, Gold Mines of Kalgoorlie advancing 20 to 680p and North Kalgurli 5 to 81p.

Demand for Traded Options declined slightly with total contracts struck amounting to 3,474—2,471 calls and 1,003 puts. The week's daily average was 2,985.



FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS	Fri March 2 1984	Thur March 1	Wed Feb 29	Tues Feb 28	Mon Feb 27	Year ago (approx.)	Highs and Lows Index 1983-84 High	Low	Since Compilation High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

PRICE INDICES	Fri March 2	Day's change %	Thur March 1	xd adj. today	xd adj. 1984 to date
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AVERAGE GROSS REDEMPTION YIELDS	Fri March 2	Thur March 1	Year ago (approx.)	1983-84 High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.
CONSTITUENT CHANGES: Capper Neill (6) and London Brick (2) have been deleted and replaced by McCarthy & Stone (3) and Myson Group (5). Edish (71) has been deleted but not replaced.

FINANCIAL TIMES STOCK INDICES

	Mar. 2	March 1	Feb. 29	Feb. 28	Feb. 27	Feb. 24	year ago
Government Secs	83.12	82.87	82.64	82.72	82.49	82.59	80.52
Fixed Interest	86.81	86.59	86.82	86.86	86.81	86.80	81.49
Industrial Ord.	838.8	828.2	819.8	819.1	810.1	816.6	650.8
Gold Mines	673.5	672.3	665.5	672.2	662.5	656.6	878.2
Ord. Div. Yield	4.39	4.46	4.51	4.50	4.59	4.57	4.86
Earnings, Yld.% (full)	9.42	9.56	9.69	9.80	9.79	9.79	10.22
P/E Ratio (net) (*)	12.83	12.64	12.48	12.55	12.37	12.36	11.82
Total bargains	24,635	21,999	25,095	23,675	27,000	26,040	25,778
Equity turnover £m.	—	296.52	317.44	335.55	274.93	344.94	314.92
Equity bargains	—	18,220	16,851	18,257	21,074	25,881	24,353
Shares traded (ml)	—	160.7	127.0	135.5	171.6	196.8	197.5

10 am 830.8, 11 am 834.5, Noon 835.2, 1 pm 835.1, 2 pm 835.4, 3 pm 836.0.
Basis 100 Govt. Secs. 8/1/58. Fixed Int. 1928, Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.
Latest Index 01-246 8026.
* Nil=12.05

HIGHS AND LOWS

	1983/84 High	1983/84 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.77 (9/1/84)	77.00 (24/1/83)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.47 (30/1/84)	79.03 (1/2/83)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	840.5 (25/1/84)	598.4 (12/1/83)	840.5 (25/1/84)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	444.6 (1/11/83)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Mar. 1	Feb. 29
Daily		
Gilt Edged Bargains	193.8	166.5
Equities Bargains	118.0	109.2
Value	599.3	439.5
5-day Average		
Gilt Edged Bargains	187.7	179.0
Equities Bargains	128.5	133.2
Value	653.6	585.2

LEADERS AND LAGGARDS

Percentage changes since December 30, 1983 based on Thursday, March 1, 1984.

Office Equipment	+ 23.78	All-Share Index	+ 5.43
Discount Houses	+ 19.13	Leisure	+ 5.40
Gold Mines Index	+ 16.78	Brewers and Distillers	+ 5.31
Newspapers, Publishing	+ 16.65	Industrial Group	+ 5.22
Metals and Metal Forming	+ 14.81	Other Industrial Materials	+ 5.08
Overseas Traders	+ 14.04	Consumer Group	+ 4.38
Contracting, Construction	+ 12.09	Electronics	+ 3.29
Mechanical Engineering	+ 11.85	Tobaccos	+ 3.06
Oils	+ 11.41	Property	+ 2.90
Mining Finance	+ 11.01	Food Retailing	+ 2.51
Packaging and Paper	+ 9.44	Other Goods	+ 2.49
Building Materials	+ 9.25	Financial Group	+ 2.34
Textiles	+ 9.00	Insurance (Composite)	+ 2.11
Motors	+ 8.62	Merchant Banks	+ 2.01
Banks	+ 8.17	Stores	+ 1.88
Electricals	+ 7.93	Other Consumer	+ 1.54
Food Manufacturers	+ 7.24	Investment Trusts	+ 1.80
Capital Goods	+ 7.16	Chemicals	− 5.23
Shipping and Transport	+ 7.08	Insurance Brokers	− 6.41
500 Share Index	+ 6.21	Insurance (Life)	− 7.51
Health and H'sehold Products	+ 8.09		

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar 5	Mar 16	June 14	June 25
Mar 19	Mar 30	June 28	July 9
Apr 2	Apr 13	July 12	July 23

For rate indications see end of Share Information Service

Calls were arranged in Petranol, TSL Thermal Syndicate, Barratt Developments, Churchill Energy, Amalgamated Estates, Kwik-Fit, Bryson, Brunswick Oil, United Leasing, Birmid Qualcast, Armour Trust, Barget Mandarin, Polly Peck, Lofs, Johnson and Firth Brown, Pauls and Whites, Weeks Bermuda, Premier Oil, Turner and Newall, Chloride, Armstrong Equipment and John Brown. A put was done in Weeks Associates, while doubles were taken out in Barratt Developments and Petranol.

Share stakes

Burgess Products—A. L. R. Morton, a director, has acquired 25,000 "A" non-voting shares at 38p and now holds 38,675 (1.32 per cent). He has also acquired 20,000 ordinary shares at 48p and now holds 171,325 shares (7.97 per cent).

Lincroft Kilgour GP—Drayton Consolidated Trust has purchased 45,000 shares making them the beneficial owner of 922,000 shares (20.17 per cent).

Moran Tea Holdings—Arthur Bartfeld Group has increased its holding to 42,[illegible] ordinary shares (12.08 per cent).

Strong and Fisher (Holdings)—Arthur Bartfeld Group has disposed of 125,000 ordinary shares and now holds 1m ordinary (9.12 per cent).

Edenspring Investments—E. Plumridge, a director, has purchased 250,000 ordinary shares.

Throgmorton Secured Growth Trust—D. E. Franklin, a director, has disposed of £27,662 of capital loan stock.

FTSE 100 INDEX

Close	1060.7	(+14.6)
day's high	1060.7	(16.53)
Day's low	1048.8	(10.14)

(Base value=1000 January 3 1984)

NEW HIGHS AND LOWS FOR 1983/84

NEW HIGHS (125)

BRITISH FUNDS (17)
INT BANK & O'SEAS GOVT STLG ISSUES (6)
COMMONWEALTH & AFRICAN LOANS (1)
FOREIGN BONDS (1)
AMERICANS (1)
BANKS (2)
BREWERS (1)
BUILDINGS (7)
CHEMICALS (1)
STORES (4)
ELECTRICALS (15)
ENGINEERING (11)
FOODS (5)
HOTELS (1)
INDUSTRIALS (22)
INSURANCE (2)
LEISURE (4)
MOTORS (1)
PAPER (2)
PROPERTY (1)
TEXTILES (3)
TRUSTS (6)
OILS (5)
PLANTATIONS (4)
MINES (2)

NEW LOWS (7)

BRITISH FUNDS (3)
Treas. 2pc IL '90 Do. 2½pc IL '11
Do. 2½pc IL '20
ELECTRICALS (2)
Telefusion Do. A N/V
INDUSTRIALS (1)
Business Computers
SHIPPING (1)
Lyle Shipping

RISES AND FALLS

	Yesterday Rises	Falls	Same	On the week Rises	Falls	Same
British Funds	83	3	12	354	85	77
Corpns. Dom. and Foreign Bonds	23	4	51	88	22	280
Industrials	393	158	882	1,757	992	4,322
Financial and Props.	153	39	333	690	438	1,557
Oils	33	18	69	153	128	329
Plantations	8	3	9	33	26	41
Mines	47	27	98	223	282	355
Others	84	38	74	395	268	363
Totals	824	287	1,508	3,693	2,239	7,311

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
BSR Intl.	253	+18	Legal and General	478	+ 8
British Aerospace	230	−12	Midland Bank	385	+ 3
Burton	234	+12	Novo Ind B	£187½	+ 8½
Cable & Wireless	345	+17	Prudential	438	+ 8
Hanson Trust	184	+ 8½	RTZ	662	+18
ICI	592	+ 8	Royal Insurance	540	+20

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Royal Insce.	25	520	+18	Lond. & North.	16	83	+ 1
Hambro Life	21	425	−21	Petranol New	16	150	+ 8
Glaxo	16	765	+22	Legal & Gen.	15	470	−28
Prudential	18	432	−28	Sa'chi & Sa'chi	15	595	+30
Beecham	18	330	+10	Barclays Bank	14	532	−13
Applied Comp.†	17	180pm	—	BP	14	440	+12
Lloyds Bank	18	580	−18	ICI	14	584	+12

† Nil-paid

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Last close	Change on week	Stock	No. of changes	Last close	Change on week
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983/84 High	Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983/84 High	Low	Stock	Closing price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983/84 High	Low	Stock	Closing price	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

مكتبة الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Worldinvest Incó	$117.59	118.49	.....	6.78

Valued weekly on Wednesdays.

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Unigilt Trust	45.0	46.9	+0.3	10.80
Unidollar Trust	$15.60	16.66	.....	1.30
Unibond Trust	$92.05	92.75	.....	10.7

1, Thomas St. Douglas, Isle of Man 0624 25252

Uni-Australian Ts.	94.3	90.7	.....	1.20
Uni-Aust. Mineral Ts.	69.5	74.7	.....	1.40
Uni-Pacific Trust	188.9	203.2	.....	—
Uni-International Ts.	73.80	79.4	.....	1.4

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

ARMAC* Feb 6	$57.13	60.75	.....	—
COUNT** Feb 14	£3.753	3.981	.....	1.305
CANRHO** Feb 6	£2.443	2.591	.....	—

Original issue. *$10 and **£1. Next val. March 5.

Bridge Management Ltd.
GPO Box 590, Hong Kong

Nishi Fb 29 (10for1)	Y4,810	4,940	.....	4.814
Nippon Fd Feb 29	$31.43	32.83	.....	0.91

Britannia Intl. Investment Mngmt. Ltd.
Box 271, Queensway House, Queen Street, St. Helier, Jersey, C.I. 0534-73114

U.S. Dollar Denominated Funds

AmSmallerCos.Fd	$1.985	2.134	+0.01	—
Dollar Inc Fd	0.792	0.848	.....	11.08
$ Mngd Curr'cy Fd	$9.58	10.09	+0.02	6.25
First Intnl	$21.00	22.16	.....	—
Gold Fund	$1.195	1.304	+0.02	4.06
Jap Dollar Perf.	$0.944	1.015	+0.00	—
Managed Portfolio	—	—	.....	—
Normandie In $Fdt	$12.01	12.92	.....	—
Universal Growth Fd	$0.938	1.009	+0.00	—
World of Leisure	$0.95	1.000	.....	—
World of Tech.	$0.779	0.836	-0.00	—

*New dealings Jan 23.

Sterling Denominated Funds

American Invests.	88.0	94.6	+0.2	0.21
[illegible]				

...

Managed	251.8	265.1	+1.1	—
Equity	325.3	342.5	+1.6	—
Global Equity	98.0	103.2	+0.4	—
Fixed Interest	227.8	239.8	+1.2	—
Property	194.6	204.9	.....	—
Index Linked Gilt	103.1	108.6	-0.2	—
Guaranteed	8.87	—	.....	—
International Money	119.2	125.5	+0.5	—

Windsor Life Assur. Co. Ltd.
Royal Albert Hse., Sheet St., Windsor 68144

Investor Units	158.1	166.5	.....	—
Accum. Pen. Units	275.2	289.7	.....	—
Flex. Inv. Growth	171.5	180.5	.....	—

Continued on adjacent Page Mon-Fri and Stock Exchange dealings Page Sat.

OFFSHORE AND OVERSEAS

Adig Investment
Postfach 708, 8000 Munich 1, Telex 524269

Adirenta	DM22.38	23.05	.....	—
Adiverba	DM76.49	80.31	+0.43	—
[illegible]	DM37.86	39.75	+0.12	—
[illegible]	DM33.18	34.84	+0.28	—

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933

Albany $ Fd. (CI)	$219.23	223.24	.....	1.75

Next dealing March 9.

For Allen Harvey & Ross see Cater Allen
Alliance International Dollar Reserves now
Alliance Capital Management International

See adjacent Page Mon-Fri and Stock Exchange dealings Page Sat.

Andover Futures Ltd. (Adv: Tocsde)
c/o NIL: Bank of Bermuda 809-295 4000

NAV Sept.30		$71.25	.....	—

Arbuthnot Securities (C.I.) Ltd. (a)(c)(h)
P.O. Box 428, St. Helier, Jersey. 0534 76077

Dollar Income Tst (z)	1.086	1.054	+0.00	11.38
Gov't Secs. Tst.	79.3	83.1	+0.4	12.03
Yen Bond*	199.0	207.8	.....	5.80
Sterling Fd.†	162.5	162.6	.....	0.31
East Intl & Engy*	193.2	206.7	.....	0.60

Next dealing *March 8, †March 8.

B.I.A. Bond Investments AG
10, Baarerstrasse CH6301, Zug, Switzerland

Barer Sfd Jan 20	SF10,850	11,400	.....	—

Baerbank (Overseas) Ltd.
Butterfield House, Grand Cayman

Liquibaer J. Baer SFd.	1,151	1,152	+1	—

...

Wardley Japan Trust	$30.36	32.44	.....	0.46
Wardley Priv Cap Tst	$9.84	10.43	.....	—

WestAvon Secs (Guernsey) Ltd
Borough Hse, St Peter Port, Guernsey. 0481 27963

Gilt & Option Fd	£1.18	1.23	.....	2.50
US $ Option	$0.84	0.29	.....	—

World Wide Growth Management◆
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$12.64		+0.13	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	24.1	25.3	.....	—
Chinese Fund	61.9	64.4	.....	—
Precious Metal Fund	145.3	151.0	.....	—
Vanguard Cmdy. Fd.	35.5	36.5	.....	—
Financial Futures Fd.	63.5	66.7	.....	—
Wren Intl. Fnd.*	$0.844	0.879	.....	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. *Yields % (shown in last column) allow for all buying expenses.* a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983-84 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
104¼	100⅞	Exchequer 14pc. 1984	101	+1/16	13.86	8.99
98⅝	92½	Exch. 3pc 1984	98⅞	+1/32	3.05	8.99
102⅞	100½	Treasury 12pc 1984	101⅞xd	+1/32	11.81	8.99
107⅞	104½	Treasury 15pc 1985	105¼	+1/16	14.25	9.16
107	101⅛	Exch. 12pc Cnv. '85	102⅝xd	+1/16	11.69	9.33
94⅝	88⅝	Treasury 3pc 1985	93⅞	+1/16	3.20	8.58
102½	99⅞	Treasury 11½pc 1985	102⅛	+⅛	11.23	9.52
102	95	Treas 8¾pcCnv '85	99⅛xd	−1/16	8.83	9.41
104	100⅛	Exch. 12¼pc 1985	104	+¼	11.78	9.61
103½	99⅞	Exch. 11¾pc '86	103½	+⅛	11.35	9.74
102¾	97¼	Treas 10pc Cnv 1986	101¾	+⅛	9.83	9.03
90¼	85⅞	Treasury 3pc 1986	88⅝	+1/16	3.39	8.91
101⅞	97⅞	Exch. 10½pc Cv '86	101¾	+⅛	10.32	9.58
103⅞	100⅛	Treasury 12pc '86	103⅞	+¼	11.55	9.98
98¼	94⅞	Treasury 8¼pc '84-86‡‡	97½	+¼	8.72	9.71
109⅞	105⅞	Exch. 14pc 1986	108⅞	+¼	12.91	10.24
87¼	84½	Exch 2½pc 1986	85½	+¼	2.92	8.66
107¾	103⅝	Exch. 13¼pc 1987	107⅞	+⅛	12.35	10.23
100⅞	95⅞	Treas 10¼pc Cnv '87	100⅝	+⅛	10.19	10.01
86⅛	80¼	Exchequer 2½pc 1987	83⅞	+1/16	2.98	8.74
100½	95⅞	Exch. 10½pc 1987	100⅞xd	+⅛	10.41	10.18
93¼	88⅛	Funding 6½pc '85-87‡‡	91	+⅛	7.14	9.88
99⅞	96	Treas 10pc 1987	99⅞	+⅛	10.07	10.21
86	80¼	Treasury 3pc 1987	82½	+⅛	3.64	9.17
104⅝	99⅞	Treas 12pc 1987	104½	+¼	11.48	10.37
94⅞	89⅝	Treasury 7¾pc '85-88‡‡	93⅛	−⅛	8.32	9.90
101½	95½	Exch 10½pc '88	100½	+¼	10.45	10.34
98⅝	95⅞	Treas 9¾pc Conv '88	98⅞	+⅛	9.93	10.26
82	75¼	Transport 3pc '78-88	80⅛	+1/16	3.74	8.56
96¾	90¼	Treas. 9½pc '88	96⅞	+⅛	9.85	10.47
106¼	95¾	Treasury 11½pc 1989	103⅞	+⅛	11.09	10.52

Five to Fifteen Years

1983-84 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
103	94¼	Treas 10½pc 1989	102⅛	+⅛	10.52	10.54
99⅝	95⅛	Exch 10pc 1989	99⅝	+⅛	10.25	10.58
—	—	Do 10pc '89 A (£40pd)	£98	—	10.50	
85½	76	Treasury 5pc '86-89	83⅞	......	6.10	9.18
114	103	Treasury 13pc 1990‡‡	111⅞	+⅝	11.66	10.73
110⅞	100⅞	Exch. 12½pc 1990	107⅞xd	+⅜	11.58	10.69
93¼	86¼	Treasury 8¼pc '87-90‡‡	91½	+⅜	9.20	10.52
67⅛	65	Treas 10pc Cv '90 (£65pd)	67⅛	+⅛	10.25	10.51
108¼	97	Treasury 11¾pc 1991	106	+⅜	11.27	10.84
84⅝	74⅞	Funding 5¾pc '87-91‡‡	80½xd	+¼	7.10	9.51
105⅞	95⅞	Exch. 11pc 1991	105⅝	+⅛	10.35	10.71
114⅞	102	Treasury 12¾pc '92‡‡	111⅞	+⅜	11.40	10.84
100⅝	88¼	Treasury 10pc 1992	97⅞	+⅝	10.27	10.48
111¼	98½	Exch. 12¼pc '92	107⅝	+⅜	11.41	10.90
117	106½	Exchequer 13½pc '92	112⅞xd	+½	11.92	11.04
114	101¼	Treasury 12½pc '93‡‡	111	+½	11.44	10.89
79⅞	71	Funding 6pc 1993‡‡	76xd	+¼	7.38	9.92
120¼	110½	Treasury 13¾pc 1993‡‡	120¼	+⅝	11.82	10.95
126¾	112⅞	Treasury 14½pc '94‡‡	121⅞	+⅝	11.91	10.88
120	109½	Exchequer 13½pc 1994	120	+¾	11.72	10.97
114½	100½	Exch. 12½pc 1994	110	+½	11.41	10.94
94⅝	86¼	Treasury 9pc '94‡‡	93½	+¼	9.91	10.43
118⅛	98	Treasury 12pc '95	108⅛	+⅝	11.23	10.90
65¼	61½	Gas 3pc '90/95	63¼	+¼	4.72	8.15
101¾	88½	Exch. 10¼pc 1995	98⅞	+⅜	10.55	10.68
116⅝	106⅛	Treasury 12¾pc '95‡‡	116⅝	+⅝	11.31	10.79
126⅛	110	Treas. 14pc '96	121⅛	+⅝	11.69	10.97
94⅞	83¾	Treasury 9pc '92/96‡‡	90⅞xd	+⅜	9.93	10.38
134⅛	121⅞	Treasury 15¼pc '96‡‡	134⅛	+¾	11.82	10.88
120⅞	109¼	Exchequer 13¼pc '96‡‡	120⅞	+⅛	11.34	10.73
70	58	Redemption 3pc 1986-96	67xd	+½	4.46	6.95
113¼	107	Treasury 13¼pc '97‡‡	118¼	+¾	11.31	10.74
109½	89½	Exchequer 10½pc 1997	99⅝	+½	10.58	10.60
92½	80½	Treasury 8¾pc 1997‡‡	88¼	+¼	9.93	10.40
133¾	120¼	Exch. 15pc 1997	133¼	+⅜	11.68	10.93
25⅞	24¼	Exch 9¾pc '98 (£25pd)	25⅞	+¼	10.29	10.47
78⅛	69½	Treasury 6¾pc '95-98‡‡	77⅞	+¼	8.99	10.09
133⅞	124¼	Treas. 15½pc '98‡‡	132⅞xd	+¾	11.62	10.88
114½	101	Exch. 12pc 1998	113⅞	+¾	10.92	10.64
99	86¼	Treasury 9½pc 1999‡‡	94⅝	+⅜	10.18	10.38

Over Fifteen Years

1983-84 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
116¼	103¼	Exch. 12¼pc 1999	110⅞xd	+½	10.98	10.69
104¾	92¼	Treasury 10½pc 1999	103⅛	+⅝	10.50	10.49
101½	98	Convers'n 10¼pc 1999	101¼	+½	10.42	10.46
124¼	106	Treas. 13pc 2000	120⅛	+⅜	10.99	10.61
128⅞	113¾	Treas. 14pc '98-01	127⅞	+⅝	11.37	10.77
116⅝	99¼	Exch. 12pc '99-02	111⅞	+½	10.86	10.58
130	111	Treas. 13¾pc 2000-03	125¼	+⅝	11.11	10.65
114⅞	99¼	Treasury 11½pc '01-04	109⅝xd	+⅝	10.45	10.24
50⅞	43½	Funding 3½pc '99-04	49½	+¼	7.14	9.01
122¼	106½	Treasury 12½pc '03-05	122¼	+⅝	10.53	10.26
87½	77¼	Treasury 8pc '02-06‡‡	83½xd	+½	9.58	9.75
117⅞	99	Treasury 11¾pc 03-07	114¼	+⅜	10.41	10.19

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MINES—continued

1983-84 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
		Australians					
28½	13½	♥ACM 20c	16½	......	—	—	—
52	28	♥Allstate Expl. NL	35	......	—	—	—
10½	3¾	♥Asia Oil & Mins.	4¾	......	—	—	—
40	9	♥Australis Mng. NL	26	−1	—	—	—
35	11	♥Balmoral Res.	31	......	—	—	—
60	29	♥Black Hill Mins.	34	−1	—	—	—
104	51	♥Bond Corp.	96	......	Q10c	0.7	7.1
183	116	♥Bougainville 1 Kina	157	+4	Q15.5c	◆	6.8
396	204	♥CRA S2	330	......	Q12c	◆	2.4
145	60	♥Carr Boyd 20c	82	......	—	—	—
44	25	♥Central Kalgoorlie	35	......	—	—	—
43	18	♥Central Pacific	22	......	—	—	—
9	2¾	♥Cons Gold Mng Areas	3½	......	—	—	—
17	5	♥Coopers Res N.L.	7	......	—	—	—
255	183	♥Crusader Oil	202	......	—	—	—
28½	8	♥Cultus Pac NL	12	+½	—	—	—
19	7	♥Eagle Corp 10c	9½	......	—	—	—
258	96	♥Emperor Mines	250	......	—	—	—
16½	8	♥Endeavour 20c	12½	......	—	—	—
58	17	♥Enterprise Gld Mines	28	−1	—	—	—
810	500	♥GM Kalgoorlie 25c	680	+20	h010c	◆	1.0
24½	6	♥Grt. Eastern Mines	22	+1	—	—	—
35	9	♥Great Victoria Gold	33	−1	—	—	—
32	15½	♥Haoma NW	19	......	—	—	—
92	26	♥Hill Minerals N.L.	35	......	—	—	—
41	13	♥Intnl Mining	19	......	—	—	—
20	5	♥Ivanhoe Gld. N.L.	8¾	......	—	—	—
100	25	♥Jingellic Minerals	32	......	—	—	—
42	15	♥Kalbara Min 20c	17	......	—	—	—
36	9	♥Keywest Invs.	32	−1	—	—	—
12½	9¾	♥Kia Ora Gold N.L.	11¼	......	—	—	—
134	54	♥Kitchener NL 25c	162	......	—	—	—
180	50	♥Meekatharra 25c	50	......	—	—	—
58	24	♥Metals Ex 50c	45	+1	n—	—	—
200	22	♥Metana Minerals N.L.	174	−4	—	—	—
52	23	♥Metramar Mins 20c	36	−1	—	—	—
279	210	♥MIM Hldgs 50c	215	+5	Q5c	1.5	1.5
16	5	♥Mincorp 20c	12½	......	—	—	—
8	3	♥Minefields Expl 25c	4½	......	—	—	—
46	23	♥Newmetal 20c	34	......	—	—	—
*213	128	♥North B Hill 50c	166	+1	†Q8c	1.4	3.2
90	38	Nth. Kalgurli	81	+5	—	—	—
86	52	♥Oakbridge 50c	53	+1	‡Q7c	1.5	‡
57	23	♥Otter Expl'n NL	43½	......	—	—	—
150	64	♥Pancont'l 25c	70	......	n—	—	—
9½	4	♥Pan Pacific Pet NL	7½	......	—	—	—
75	35	Paringa Mng & Expln 5p	68	−2	—	—	—
456	300	♥Peko-Wallsend 50c	350	+6	G05c	0.2	0.9
15½	6	♥Pelsart Res NL	12½	......	—	—	—
298	172	♥Renison 50c	212	−10	Q10c	0.1	3.1
270	135	♥Do Defd	205	......	—	—	—
83	20	♥Samantha Expl'n NL	41	......	n—	—	—
52	21	♥Samson Expl'n NL	28	......	—	—	—
82	49	♥Selfrust 50c	62	......	—	—	—
58	24	♥Sons of Gwalia N.L.	40	......	—	—	—
27	11	♥Sthn. Goldfields	19	......	—	—	—
19	7	♥Southern Pacific	10	......	—	—	—
133	50	♥Southern Res.	115	−1	—	—	—
14	6	♥Southern Ventures 25c	7¼	......	◆	—	—
50	17	♥Swan Res 20c	17	......	—	—	—
110	60	♥Tuntax Res N.L.	60	......	—	—	—
58	31	♥United Goldfields	39	......	—	—	—
24	5	♥West Coast 25c	9½	......	—	—	—
38	8½	♥Western Cont. 50c	13½	......	—	—	—
286	168	Westn. Mining 50c	254	+6	†Q2c	7.6	0.5
272	53	♥Whim Creek 20c	242	......	—	—	—
47	7	♥Windsor Res. NL	21	......	—	—	—
37	8	♥York Resources	18	......	—	—	—
		Tins					
245	175	Ayer Hitam $M1	220	......	v085c	1.0	11.6
187	83	Geevor	155	......	24.0	—	3.7
28	10	Gold & Base 12½p	10½	......	—	—	—
435	290	Gopeng Cons.	400	......	‡4.0	5.0	1.4
600	525	Hongkong	575	......	—	—	—
21	13	Jantar 12½p	18	......	1.5	0.2	11.9
270	190	Kamunting $M0.50	195	......	hQ27½c	0.8	4.2
96	56	Malaysia Mng. 10c	63	......	‡vQ11c	0.9	‡
57	28	♥Pahang	45	......	B—	—	—
500	325	Pengkalen 10p	500	......	1.0	—	0.3
330	225	Petaling $M1	300	......	vQ130c	◆	12.1
260	185	Sungei Besi $M1	260	......	‡vQ18c	1.1	‡
68	40	♥Supreme Corp M$1	60	−3	vhQ3½c	◆	1.9
325	93	Tanjong 15p	260	......	g3.5	—	1.9
210	60	♥Tongkah H. Tin $M1	210‡	......	v05c	1.6	0.7
300	190	Tronoh $M1	250	......	vQ90c	1.1	10.8
		Miscellaneous					
170	15	♥Admiral Mines	18	......	—	—	—
90	34	♥Anglo-Dominion	67	......	—	—	—
93	48	♥Anglo Utd. Dev.	59	......	—	—	—
400	150	♥Centennial Minerals	317	......	—	—	—
175	60	♥Colby Res Corp.	160	......	—	—	—
850	515	Cons. Murch. 10c	809	......	100c	◆	7.3
£18½	£10⅛	Eastern Trans Cons 50c	£18	+½	Q85c	4.9	2.4
240	170	Hampton Areas 10p	225	+2	3.75	2.1	2.2
215	103	♥Highwood Res.	180	......	—	—	—
£24½	£17½	Homestake Mining $1	£23	+¼	Q20c	—	0.6
495	275	Northgate C$1	320	−5	—	—	—
687	437	R.T.Z.	662	+18	t17.0	2.9	3.7
£148½	£108	Do. 9½% Cnv. Ln. '95-2000	£141	−1	Q9½%	32.5	f6.8
190	18	♥Sabina Inds C$1	98	−5	—	—	—
£11¾	312	♥Tara Expln. $1	960	−5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsetable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- ◆ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♠ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- ● Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Issue price. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p	76	......	Fin. 13% 97/02	£91½	+⅛
Craig & Rose £1	900	......	Alliance Gas	72	......
Finlay Pkg. 5p	47	......	Arnott	217	......
Higsons Brew.	102	+2	CPI Hldgs.	82	−2
Holt (Jos) 25p	890	......	Carroll Inds.	120	+3
I.O.M. Stm. £1	127	......	Hall (R. & H.)	58	......
			Heiton Hldgs.	21	......
			Irish Ropes	53	......
IRISH			Jacob (W. & R.)	65	......
Exch. 12% 1985	£99	......	T.M.G.	60	......
Nat 9¾% 84/89	£87¼	+½	Unidare	75	......

For Bridgewater see Property

OPTIONS

3-month Call Rates

Industrials					
Allied Lyons	13	House of Fraser	21	Vickers	12
BOC Grp.	20	I.C.I.	45	Woolworth Hld.	35
B.S.R.	18	"Imps"	12		
Babcock	15	I.C.L.	6	**Property**	
Barclays Bank	45	Ladbroke	21	Brit. Land	9
Beecham	28	Legal & Gen.	45	Cap. Counties	15
Blue Circle	40	Lex Service	35	Land Sec.	24
Boots	17	Lloyds Bank	50	MEPC	24
Bowaters	22	"Lofs"	3	Peachey	17
Brit. Aerospace	19	London Brick	10	Samuel Props.	12
B.A.T.	14	Lucas Inds.	16	Sterling Guar.	4
Brown (J.)	3	"Mams"	12		
Burton Ord.	38	Mrks. & Spncr	20	**Oils**	
Cadburys	11	Midland Bank	42	Bristol Oil & Min.	6
Courtaulds	11	N.E.I.	10	Brit. Petroleum	35
Debenhams	14	Nat. West. Bank	55	Burmah Oil	16
Distillers	20	P & O Dfd.	22	Charterhall	8
Dunlop	5	Plessey	20	Premier	5
Eagle Star	60	Racal Elect.	18	Shell	50
F.N.F.C.	6½	R.H.M.	7	Tricentrol	20
Gen. Accident	42	Rank Org. Ord.	19	Ultramar	60
Gen. Electric	17	Reed Intnl.	34		
Glaxo	75	Sears	8	**Mines**	
Grand Met.	30	T.I.	14	Charter Cons.	22
G.U.S. "A"	55	Tesco	25	Cons. Gold	50
Guardian	45	Thorn EMI	55	Lonrho	8
G.K.N.	16	Trusthouse	16	Rio T. Zinc	58
Hawker Sidd.	32	Unilever	75		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

FINANCIAL TIMES
Saturday March 3 1984

MAN IN THE NEWS

A birthday treat for Mr Airbus

BY MICHAEL DONNE

EBULLIENT, witty Bernard Lathière, president and chief executive of Airbus Industrie, celcbratea his 55th birthday this weekend with the knowledge that the new A-320 Airbus project be bas fought for over the past few yeara is now going ahead with support from all four sbarebolding governments of Airbus Industrie.

Lathière, wbo has been the principal architect of the European jet airliner manufacturing group's rapid rise to become the arcb rival to America's Boeing, has made it a personal task to ensure that the A-320, the nerrow-fuselage derivative of the bigger A-300 and A-310 Airbuses, gets rolling.

He has lobbied shareholding governments and member-companies alike in the ceuse, whilst jetting round the world to try to convince airlines that it is to Europe, rather than the U.S., that they should look for their next-generation short-to-medium range jet equipment.

The results so far are impressive—commitmente or assurances of cesh from all four

Bernard Lathière
Good food, wine, cigars and good conversation

governments, Britisb, French West German and Spanisb, and orders from five airlines for 51 aircraft firm, with another 45 on option—enough to enable him to eey with his customary panecbe, In Paris yesterdey that the A-320 is "a reality" end is on its way.

But even Lathière is the first to edmit thet there is still much to do. Tbe earlier A-300 and A-310, even with over 350 ordered so fer, heve yet to earn profits for both the manufacturer end its shareholders, end Airbus Industrie is busy looking for more seles for both, whilst now adding the A-320 to the list. This meens that Lathière is likely to be logging for some time to come the regular 400,000 kilometres he travele every year on behalf of Airbus Industrie, leaving him little time for any private life.

Lathière bas not always bean in civil aviation, but long enough to know bow deeply it cen engulf those wbo embrace it as a career. Born in Calcutta in 1929, where his father was Michelin tyre representetive for India, Lathière's path waa through the French civil service, after leaving the Ecole Nationale d'Administration. After several posts as edvisers to Ministers, he heceme technical adviser to the Ministry of Puhlic Works and Transoort, and in 1968 was named Directeur Adjoint de L'Aviation Civile, responsible for the direction of the French side of the Concorde and Airbus programmes. He was appointed to run Airbus Industrie in early 1975.

Once there, he swiftly stamped the organisation with bis strong personality, so that today throughout the world he is widely regerded as "Mr Airbus." His almost affectionete contempt for Boeing, bis greatest rival, is expressed in bis description of Airbus as Little Red Riding Hood wbo turns unexpectedly to bite and scare off the Big Bad Wolf of Boeing—a story he tells with relisb and much colourful embellisbment.

Sturdily built, anyone less like Little Red Riding Hood it is impossible to imagine. Lathière likes the good things of life—good food, wine and cigars and amusing conversation (bis fund of jokes is seemingty inexbaustible). But he is widely respected for his business acumen, his sales flair and administrative skills. They have already heen severely tested over recent years, but he has survived with his Joie de Vivre intact, especially now that the A-320 is on its way. Lathière has every reason for enjoying his birthday on Sunday.

Energy consumption at 16-year low

BY DOMINIC LAWSON

UK ENERGY consumptioo last year hit its lowest annual level since 1967, the Energy Department revealed yestardey.

At 311.7m tonnaa of coal equivalent, it was 200,000 tce less than in 1982. The main drop was in petroleum consumption, which fell by 4.5 per cent.

Petroleum productinn, however, rose by more than 11 per cent to almost 115m tonnes. Close to 60 par cent of this was exported.

Oil output levels reached the high end of the range estimated e year ago by the Gnvernment.

Mr Alick Buchanan-Smith, Eoergy Minister, yesterday unveiled predictinns of UK oil production, wbich indicated that the decline in North Sea oil output would be less precipitate than feared.

Production in 1984 was estimated at between 110 and 130m tonnes, compared with an earlier prediction of 95m to 125m tonnes. For 1984 to 1986 the department's "worst case" guess nf UK production rosa from 275m tonnes to 320m tonnes, an Increase of more than 16 per cent.

The Energy Department'e latest figures on energy prices eeem likely to fuel the debate on the Government's energy pricing policy.

The figures showed that in real terms (measured against the Retail Prices Index) there was a fall of 1 per cent in the price of electricity last year for domestic consumers, industrial consumers experienced a fall of 8 per cent, for the third quarter of 1983, as against the same period in 1982.

In current terms there were 12 per cent price increaaes in gas and 4 per cent for electricity in the domestic aector last year. Comparative third qoarter figures for industry show a current price fall of 1 per cent for electricity, and an unchanged gas price.

The Government has also released figures for the coal industry which show that coal stocks at the year end were 58m tonnes, 5.5m tonnes more than the comparable 1982 figure. Howaver, in December stocks fell by 2m tonnes.

The workforce regularly employed by the National Coal Board fell by 9.3 per cent to 187,000, while recruitment dropped by 52.6 per cent.

At the same time, productivity rose last year by almoat 4 per cent, according to the Energy Department.

Tba debata over the naad to import natural gas could be intensified by the figures released yesterday, which showed that in the final quarter of last year natural gas imports roae hy almost 23 per cent compered with the same period in 1982.

Sizewell inquiry Page 4

BS plans reorganisation in bid to curb losses and win orders

BY ANDREW FISHER, SHIPPING CORRESPONDENT

BRITISH SHIPBUILDERS plens major changes in organisation as part of its attempt to curb beevy losses and win much-needed orders.

BS, which has said trading losses for the year to March 31 will be about £120m, announced yesterday that it would operate with ooly two divisions from April, iosteed of five.

A division will be set up to cover merchaot yards and composite yards, which combine naval and merchant work. The wership division will remain. There will no longer be divisions for offshore rig construction, ship repair and engineering.

Ship repair, from which BS is gredually withdrawing, and engineering, will come under the new division, which will include the composite yards of Swan Hunter and Cammell Laird.

BS, significantly, did not mentioo offshore work in its statement. It has mede big losses on rig building at Scott Lithgow on the Clyde, which is about to be sold. Cammell Laird, which hes built rigs on Merseyside, is now likely to concentrate on naval and merchant work.

Tbe head of the expanded merchant and composite division will be Dr Peter Milne, who wes brought in as managing director of Scott Lithgow last Mey as lengthy deleys on contracts threatened the yard's future.

Britoil and British Petroleum heve cancelled contracts et the yard, where Dr Milne will remain until telks on its future are concluded. Trafalgar House is the leading cootender to acquire Scott Lithgow. Bechtel, the international engineering group, ennounced yesterday it was dropping out of the hidding.

Mr Graham Day, the new chairman of BS who initieted the changes in organisation, has made known his high regard for 48-year-old Dr Milne after bis efforts to seve the yerd. He is elready a main board member.

A new department grouping product development and marketing will be set up in the merchant and composite division. It will be run hy Dr Kenneth Chapman, the 44-yeer-old managing director of Swan Hunter, who begen his career as an epprentice no the Tyne.

The selling task fecing BS is underlined by the drop in orders last year, though Govan on the Clyde hes just expanded its thinning workloed with e £28m order for three coel ships.

That order was signed yesterday by Mr Dey, just back from e marketing trip to Hong Kong. The BS merchant order book stood at only £500m et the end of lest year, well down on the £662m of end-1982.

BS, like all West Europeen shipbuilders, is figbting bard for orders in the industry's prolonged crisis. But sbip prices are at low levels, es Fer Eastern yards have reduced prices to gain business.

BP offers to sell back Amax stake for $100m

By William Hall in New York

BRITISH PETROLEUM has offered to sell its 6.5 per cent stake in Amax, the biggest mining group in the U.S., back to the company. The deal would be worth more than $100m (£67m).

Amax said yesterday that the offer concerned the 4.3m shares acquired by BP following its takeover of Selection Trust in 1980.

Disposal of the shares by BP is required under a consent decree entered into with the Federal Trade Commission in September 1981. BP hed heen trying to persuade the FTC to modify its request but this possibility was ruled out at the end of January.

The FTC issued its order hecause it was concerned that competition in the molybdenum industry would be reduced following the acquisition of Kennecott, another U.S. producer of the metal, hy Sohio, BP's majority-owned U.S. subsidiary.

Amax shares jumped by $1¼ tn $27⅞ after the announcement. Amax, which last month reported a net loss of $390m after his write downs on some of its operations, has been struggling for some time to emerge from recession.

Its sheres, which as recently as 1981 bad touched $69, have been under a cloud in recent months and fell to $22¼. Apart from being the world's largest prodncer of molybdenum, Amax is the third biggest coel prodncer in the U.S., owns half of Alumax, the fourth higgest U.S. aluminium company, and hes sizable oil interests as well as mines nroducing a whole range of minerals. ...

There hes heen speculation on Wall Street that the takeover fever gripping the U.S. oil industry might begin to spill over into other natural resource companies with undervalued assets. At current prices, Amax is capitelised at $1.8bn which compares with shareholders' funds at the end of 1982 of $2.4bn.

BP has said that if Amax does not exercise its right to purchase the shares, BP will offer them to Standard Oil of California (Socal), or failing that to Salomon Brothers.

Dominic Lawson writes: BP said in London "We applied to hold on to the shares hut we have not heen given the chance."

Forty seek GCHQ transfer

BY JOHN LLOYD AND DAVID BRINDLE

REMAINING resistance to the Goveroment'e ban on union membership at the Government communications heaquarters at Cheltenham wes being isolated yesterday—and the signs are that the TUC-orgeinsed protest will be phesed down.

Sir Geoffrey Howe, the Foreign Secretary, said in a written reply in the Commons that "just over helf of ooe per cent of GCHQ staff hed requested a transfer to another Government department"—a total of ebout 40.

About 120 staff heve probebly signed "Option C," the document pledging continued union membership—though some who had originelly signed it heve now also signed the Government form giving up their trade union rights.

One employee demanding transfar is Mrs Nancy Dufton, 36, the full-time secretary of the GCHQ branch of the Society of Civil and Public Servants. Mrs Dufton expects to leeve by the Merch 12 deadline set by management for union offices to be cleared and vacated.

She seid, "They offered me eoother post within the department, but this campaign means so much to me and free trade unions mean so much to me that I want to be in a position where I can fight the campaign to continue to help our members at GCHQ."

Only 20 steff attended the first committee meeting yesterday of the new combined union body which will represent the remaining members of all the civil service unions et Cheltenham.

Next Wednesday's meeting of the National Economic Development Council, to be boycotted by the TUC, eppeers likely to go ahead without the six senior TUC representatives. No indication has been made by the Chencellor, who chairs the Council, that he wishes it to be postponed or cencelled.

The TUC committees are to decide on membership of the many tripartite bodies—including the NEDC—on which union officiels sit. However, the concession of defeat by the Council of Civil Service Unions earlier this week removes the need to give maximum moral support to the Cheltenham staff who refused to leave the unions, the main reason for the TUC's proposed ban on membership of tripartite bodies.

Most unions will continue their membership of the NEDC's sector working parties and economic development councils—though the two big general unions, the Transport and General Workers and the General, Municipal and Boilermakers, have yet to decide whether to perticipate.

However, a meeting of the Agricultural EDC yesterday was atended by the TGWU as normel, and other unions, like the engineers, the white-collar union ASTMS end the electricians here all indicated that they will continue attendence.

The Newspaper Publishers' Association said yesterday that it intended to sue the Amalgamated Union of Engineering Workers for ection by its members on Tuesday nicht which resulted in the loss of the London print runs of all national daily papers. The NPA said it was gathering evidence on which to bring a case, though it had not yet decided whether it would be brought against the Fleet Street branch of the AUEW or against the union at national level.

Spanish state bonds aim to cover Rumasa losses

BY TOM BURNS IN MADRID

THE SPANISH Government is to issue bonds to cover the 259bn oeseta (£1.2bo) losses uncovered in Rumasa, the diversified financiel and industrial group, following its expropriation hy the state a year ago.

This was revealed yesterday by Sr Miguel Boyer, the Spanish Finance Minister, to a parliamentary committee investigating Rumasa. He gave no details of the bonds but said they would have tn be spread over aeveral fiscal years.

Ha indicated that while the bonds would help cover the losses, private banks would be expected to shoulder some of the burden of refinancing the group.

Testifying, he said that under state-ownership the group bad lost Pta 80.6bn in the past year. He alleged Pta 25bn had been illegally deposited in foreign hank accounts by Rumasa in the 1970s.

The resort to bonds to cover the biggest-ever private loss in Spain has been awaited by the team entrusted by Sr Felipe Gonzalez, the Prime Minister, with rationalising and reselling the holding's network of companies and banks.

Sr Boyer said group losses in the past year represented a 3 per cent rise hut compared favourably with the trend before expropriation on February 23 last year.

Tap issue

Continued from Page 1

money supply in February will be seen aa a crucial guide to whether the City'a present optimism is justified.

If they show the expansion of the money supply still on a downward trend pressures for a base rate cut are likely to increase, but a had set of figurea could seriously set back hopes.

Gilt dealers said the new stock, which is 40 per cent partly paid at next Wednesday's tender with the halance doe in April eod May, will be an interesting test of the Building Societies' attitude to the market following their recent loss of tax privileges.

The issue would normally appeal to the societies, but some dealers speculated that they could refrain from bidding as a gesture of annoyance.

● The UK'a official reserves rose by an underlying $40m (£27m) last month, reflecting in part what most analysts believe was modest interventioo by the Bank of England oo foreign exchanges to smooth out sterling's rise against the dollar.

Actual reserves rose to $210m to reach $17.983bn (£12.057bn) at the end of February.

CHIEF PRICE CHANGES YESTERDAY

(Prices in peoce unless otherwise indicated)

RISES

Exch 10½pc 1987	£100⅞	+ ⅜
Treas 11¾pc 03-07	£114¼	+ ⅞
BSR Intnl	253	+ 18
Border Breweries	258	+ 18
Burton	234	+ 12
Cable & Wireless	345	+ 17
Cullen's Stores A	163	+ 18
Eurotherm Intnl	257	+ 12
General Accident	478	+ 10
Glaxo	795	+ 30
Hanson Trust	184	+ 8½
Hollis Bros & ESA	53	+ 7
ICI	592	+ 8
Lonrho	147	+ 6
Novo Ind A/S B	£187½	+ 8½
Petranol New	166	+ 16
Pleasurama	388	+ 33
Royal Insce	540	+ 20
Sperati (CA)	330	+ 160
Sun Life Assce	600	+ 25
Superdrug Stores	285	+ 17
Woolworth	417	+ 17
Shell Transport	658	+ 16
Cons Gold Fields	600	+ 12
North Kalgurli	81	+ 5
RTZ	662	+ 18

FALLS

Barclays Bank	520	− 12
Brit Aerospace	230	− 12
NatWest Bank	710	− 13
Royal Bank Scot	220	− 13

WORLDWIDE WEATHER

UK today: snow, cloud then rain in most areas. Strong wind moderating in south-east. Outlook: changeable, becoming drier.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	11	52	Corfu	F	15	59	Luxmbg.	R	2	36	Peking	—	—	—
Algiers	S	14	57	Dallas		—	—	Madeira	C	17	63	Perth	S	32	90
Am'dm.	Sn	4	39	Dublin	F	4	39	Madrid	S	6	43	Prague	C	2	36
Athens	F	18	64	Dbrvnk.	F	13	55	Majorca	S	13	55	Rykjvk.	F	−6	21
Bahrain	S	22	72	Ednbgh.	C	4	39	Malaga	S	15	59	Rhodes	C	17	63
Barclna.	S	14	57	Faro	S	14	57	Malta		—	—	Rio J'o†		—	—
Beirut		—	—	Florence	F	10	50	M'chstr.	C	4	39	Rome	F	12	54
Belfast	Sn	2	36	Frankft.	C	2	36	Melbne.	C	17	63	Salzbrg.	C	4	39
Belgrd.	S	11	52	Geneva	C	3	37	Mx. C.†		—	—	S'ciscol	C	12	54
Berlin	S	5	41	Gibrltr.	C	16	61	Miami†	S	9	48	Singapr.	F	29	84
Biarritz	C	9	48	Gl'sg'w	S	4	39	Milan		—	—	S'tiago†		—	—
Bmghm.	Sl	4	39	G'rnsey	F	7	45	Montrl.†	F	−16	3	Stckhm.	S	0	32
Blackpl.	F	3	37	Helsinki	S	0	32	Moscow	S	2	36	Strasbg.	C	4	39
Bombay	S	35	95	H. Kong	S	19	66	Munich	C	3	37	Sydney	F	20	68
Bordx.	C	10	50	Innsbrk.	C	6	43	Nairobi		—	—	Tangier	S	16	61
Boulgn.	F	6	43	Invrnss.	C	3	37	Naples	F	13	55	Tel Aviv	S	28	82
Bristol	Sl	5	41	I. o. Man	F	4	39	Nassau		—	—	Tenerife	F	20	68
Brussels	F	4	39	Istanbul	S	20	68	Nwcstl.	C	4	39	Tokyo	S	10	50
Budpst.	R	4	39	Jersey	F	7	45	N Delhi	S	23	73	Toronto†	C	−7	19
Cairo	S	30	86	Jo'burg		—	—	N York†	S	−4	25	Tunis	R	9	48
Cardiff	Sn	5	41	L. Plms.	S	21	70	Nice	S	13	55	Valencia	S	14	57
Cape T.	S	23	73	Lisbon	S	11	52	Nicosia	F	19	66	Venice	F	10	50
Chica.†	S	−5	23	Locarno	S	16	61	Oporto	S	14	57	Vienna	R	3	37
Cologne	C	6	43	London	C	6	43	Oslo	S	−3	27	Warsaw	C	1	34
Cphgn.	Sn	0	32	L.Ang.†	S	12	54	Paris	F	4	39	Zurich	C	3	37

C—Cloudy. Dr—Drizzle. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

THE LEX COLUMN

Two-way bets on the Budget

Budget speculation was not the only second guessing game in the City this week. The real extent of the government'e largesse towards British Aerospace waa no easier to discern, for example, than the long term message behind the latest despatches from the composite insurance front. Yet, amidst all the uncertainties, the market pursued a recovery which has now recouped all the ground lost in February. With the vague whiff of lower rates in the air yesterday'e 10.6 point rise for the FT-30 Share Index neatly coincided with the announcement of the lowest Treasury bill rate for nearly five years.

As an industrial index, the 30-Share has not of course been impeded in its progress by the weakness of the financial sector. After the life assurance debacle on Thursday, it wea yesterdey the turn of the banks to feel a chill Budget wind. Capital allowances—and hence the banks' clever leasing achemes—are now on tha supposed list of fiscal reforms which also extende in the market'a own mind to cover life asurance premiums relief and a reduction in corporetion tax.

While the impact of Budget rumours on individual sectors hes been sharp and surprisingly sudden, perhaps the cheery sentiment of the market at large also owes eomething to the belief thet the bias of the reform will be towards wider share ownership. The people's share-owning democracy mey not arrive quite in time to have much of an effect on this government's privetisatioo plans. But British Telecom, to neme but one, would herdly suffer from reductions in the investment income surcharge or even, dare one think it yet again, in stamp duty.

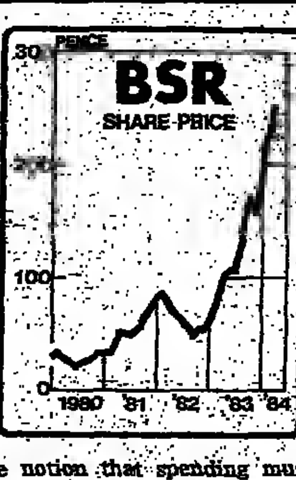
Against this general background, the market appears barely to have distinguished the varying effects of putative reforms on individual stocks. Life assurers heavily depeodent on premium relief and those with huge pension funds business have suffered alike this week, for example. Meanwhile, though, there remeins time enough for the market to look closer et the implications of corporation tax changes, which might be expected to benefit most retailers but some, including Marks and Spencer, more than most.

On the face of it, Marks and the other retailers appeer to need less help from the Chencellor than virtually any other sector in town. Despite the low saviogs ratio, statisticiens have heen busily pouring water oo the notion that spending must slow down, while analysts of consumers' financial behavinur are converging on the view that even a low ratio of savings to income can be sustained for longer in previous cycles.

One reason for this confidence is that changes in retail lending arrangements—notably on hire purchase and mortgages—have made it possible to support a beavier debt burden on a given income; the income gearing of consumers has not been rising as fast as their debts. In addition, there is plenty of scope for individuals to finance consumption by stepping up their disposals of financiel assets—in particular their long-term holdings of equities and gilt-edged, currently worth about 47 per cent of disposable income against 35 per cent three years ago.

If this suggests that there may be a less ready reception for gilt edged sales angled directly at the personel sector, last week's attack on the investment practices of building societies makes it almost certain that the supply of low-coupon stocks (for income tax evoldance) will become more limited. Yesterday's announcement of a 10 per cent stock, maturing in 1989, shows that the authorities bave not allowed any pre-Budget hysteria—or resentment of the Inland Revenue—to deter them from the launch of re-designed stock at the building societies. Five-year money is evidently going to be kept on a short rein.

Index rose 10.6 to 838.9



BSR

The transformation of BSR hes beeo so rapid, even since the rights issue last March, thet the market has had difficulty in keeping up. Yesterdey's 18p jump in the share price—to e peek of 253p—indicates that pre-tax profits of £20.9m for the 12 months to December still had something to trump most expectations even though the shares had quadrupled in the past year.

Of course, the relationship between the present company and BSR as it was even two years ago is extremely tenuous. The company is now domiciled in Hong Kong—which enables it to connect UK shareholders with the benefits of the Hong Kong tax regime—and its operations are centred in Far Eastern electronic manufacturing. Record changers in the Midlands are practically of historical irrelevance.

Apart from the changes of location and technology, BSR's financial position has also been revolutionised. Added to £20m of rights capital, the profit generated by its new product ranges in computer components and consumer electronics—mostly supplied on a private label basis—have almost extinguished the crippling debt inherited from the company's previous existence. Short-term net debt of £4.1m is less than a tenth of the total a year ago and gearing has dropped from 178 per cent to 41 per cent.

The two disparate Asian businesses which BSR originally bought as a diversification—Capetronic and Astec—are now becoming integrated, as Capetronic's skills in automated manufacture are put to work on Astec's product range in computer peripherals, still a quickly expanding market.

Demonstrating the ability to exploit its customer base with a developing roster of products will be the next test.

Hong Kong

Hong Kong has seen nothing like it since Jerdine Matheson first went public. This week's HK$225m offer for sale of shares in a local electronics company—Elec and Eltek—was besieged with applications roughly equivalent to the Hong Kong money supply. One institution is thought to have subscribed to the offer 20 times over on its own. The enthusiasm showed through in overnight interbank rates, which raced up from two per cent on Thursday to the high twenties yesterday.

The issue price would have been higher if the underwriters—Wardley and Jardine Fleming—had followed their own judgment. But they were apparently told by two local stock exchanges to keep it cheap. Perhaps a more demanding price will be permitted on the next issue, which is likely to be the return of thet old favourite, Jim Raper's Gasco.